

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 26 APRIL 2018

LOCAL CODE OF CORPORATE GOVERNANCE

Report by Chief Executive

PURPOSE OF REPORT

1. To update the Governance and Scrutiny Committee on progress in implementing the Council's Corporate Governance Improvement Action Plan for 2017/18.
2. To seek approval for the new Local Code of Corporate Governance for 2018/19 and the associated Annual Governance Statement of Assurance.
3. To seek agreement of the new Corporate Governance Improvement Action Plan for 2018/19.

BACKGROUND

4. East Ayrshire Council is responsible for and fully committed to ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in performance, while maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, equal opportunities and future economic, social and environmental sustainability.
5. In discharging this overall responsibility, members and senior officers are responsible for putting in place proper arrangements (known as the governance framework) for the governance of the Council's affairs and facilitating the effective exercise of its functions. This includes setting the strategic direction, vision, culture and values of the Council; the effective operation of corporate systems, processes and internal controls; engaging with and leading the community; monitoring whether strategic priorities and outcomes have been achieved; ensuring that services are delivered cost-effectively; maintaining appropriate arrangements for the management of risk; and ensuring that the Council complies with the Statement on the Role of the Chief Financial Officer in Local Government.
6. All of these requirements are incorporated within the Council's Local Code of Corporate Governance, which was first agreed by Council in June 2002. An annual process of review has been conducted each year since then. In 2016, CIPFA/SOLACE published a new framework for Corporate Governance: "Delivering Good Governance in Local Government Framework" along with a separate Guidance Note for Scottish local authorities. The East Ayrshire Local Code of Corporate Governance for 2018/19 follows this Guidance.
7. The Guidance sets out seven core principles, namely:
 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.

- Determining the entity’s capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

ANNUAL REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS

8. An important element of the process of assurance is the need for continuous monitoring and annual review of our corporate governance arrangements. This results in the Council each year adopting a new Local Code of Corporate Governance, agreeing an Annual Governance Statement of Assurance and a new Improvement Action Plan to further strengthen our governance arrangements. This annual review process is designed to ensure that the ethos of excellent Corporate Governance is embedded in all decisions made by the Council.
9. Whilst this process of review is co-ordinated corporately and approved by the Executive Management Team, Depute Chief Executives and Heads of Service have a responsibility to ensure that their own governance arrangements are adequate and operating effectively. Each Depute Chief Executive and Head of Service is required to make an annual statement confirming that this is the case.

ACTION PLAN PROGRESS

10. Appendix 1 to this report sets out the progress made against the Council’s Corporate Governance Action Plan for 2017/18.
11. The good progress made in implementing the improvement actions outlined within last year’s Action Plan provides a clear demonstration of the Council’s overriding commitment to best practice in Corporate Governance.

UPDATED LOCAL CODE OF CORPORATE GOVERNANCE

12. The Council’s new Local Code of Corporate Governance for 2018/19 has been prepared and reviewed by the Executive Management Team and is available at Appendix 2.
13. In order to add an additional degree of challenge to the annual review of our Local Code, our Corporate Governance arrangements have been scored. To ensure a level of consistency with reviews completed in previous years, the Council’s Corporate Governance arrangements were scored using the undernoted scoring matrix.

SCORING MATRIX	
1	Nothing happened – we really haven’t thought about this, or we may have considered it but taken no or little action as yet.
2	Making a start – we’ve been thinking and working on this. We’ve got a few things going, but it is early days. We have some measurements that show we are doing okay.
3	Getting somewhere – we’ve got quite a few things going on and we are beginning to see some signs that we are doing things right. According to our measurements, we can show we are improving.
4	It is working for us – now we can see things are really working together. We are seeing the results from them steadily improving and we are meeting a lot of our targets. We are comparing ourselves with other organisations.
5	It is our normal practice – what we are doing is effective and consistent. We’re learning from our experience and we can clearly see the benefits. Our key measurements show consistent improvement over several years. We are doing well compared with other organisations.

6	We are excellent – we're working at a sophisticated level, consistently doing the right things. We use a wide range of measurements, showing strong improvements over many years. We exceed our targets and can demonstrate that we are best in class in many areas.
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14. The overall conclusion from this review of the Local Code is that the Council continues to have effective arrangements in place to protect the Council's interests and promote good governance within the Authority.
15. The format for the Local Code of Corporate Governance 2018/19, which is attached at Appendix 2, follows the streamlined approach adopted in 2014/15 which removed unnecessary duplication and provided a more robust evidence base against each of the general principles. The 2016 CIPFA/SOLACE Framework includes seven core principles and the scores applied to each are compared to those scores applied in the 2017/18 Code.
16. Key achievements/developments reflected in the new Local Code of Corporate Governance for 2018/19 include:

East Ayrshire Community Plan 2015-2030

17. The East Ayrshire Community Plan 2015 - 2030 is the sovereign and overarching planning document for the East Ayrshire area, providing the strategic policy framework for the delivery of public services by all the Partners. The Plan came into effect on 1 April 2015 and work has continued throughout 2017/18 in furtherance of the strategic priorities contained within the three thematic Delivery Plans, namely Economy and Skills, Safer Communities and Wellbeing.
18. The Community Planning Partnership (CPP) Board and the Council had their third formal joint engagement event on 21 September 2017 to consider the Single Outcome Agreement Annual Performance Report and the Integrated Health and Social Care Partnership Annual Report for 2016/17.
19. Notably in 2017/18, the CPP Board implemented the first three-yearly Community Plan review. Through the review process, which was undertaken in consultation with a range of key stakeholders, three new Delivery Plans, for Economy and Skills, Safer Communities, and Wellbeing, were developed. In addition, a new Local Outcomes Improvement Plan (LOIP) was also developed. Covering the period 2018-2021, the new Delivery Plans and LOIP were approved by the Council and CPP Board in March 2018 and came into effect on 1 April 2018.

Public Sector Reform

20. As a Council committed to delivering high quality, efficient and effective services for our local communities, it is imperative that we are able to respond effectively to the scale and pace of change taking place within the public sector in Scotland. In the last year, the Council has been effective in responding to the wider public reform agenda and has further consolidated the organisational and structural changes that have been implemented in previous years, supplemented and supported by robust governance arrangements, in respect of the following functions:
 - **Integrated Health and Social Care:** The East Ayrshire Integration Joint Board (IJB) was established on 2 April 2015 and has continued to meet regularly throughout 2017/18. At its meeting on 15 March 2017, the IJB considered a report that provided details of the engagement process with stakeholders in the development of the Strategic Plan 2018-21 and to present the findings from this activity. The final Strategic Plan 2018-21 will be presented to the Integration Joint Board at its meeting on 26th April 2018.

- **Ayrshire Roads Alliance:** The Ayrshire Roads Alliance (ARA), which was established on 1 April 2014, continues to be governed through the Ayrshire Shared Services Joint Committee. The ARA's Service Plan for 2018/19 was approved by the Joint Committee at its meeting on 8 December 2017 and provides detail on the Service's key activities, resources, organisational structure, high level Business Objectives and links to the Community and Corporate Plans of East and South Ayrshire Councils.
- **East Ayrshire Leisure Trust:** East Ayrshire Leisure Trust assumed responsibility for a range of Leisure, Culture, Community and Countryside Services on 1 July 2013. A Best Value Service Review of Leisure, Sport and Culture was completed in 2016/17 with the outcomes reported to Cabinet on 23 March 2017. The report recommended, amongst other things, to integrate the Kilmarnock Leisure Centre Trust (which operates a single facility, the Galleon Centre in Kilmarnock) with the East Ayrshire Leisure Trust. Since that time, officers from both Trusts and the Council have been progressing discussions initially with the aim of establishing new governance arrangements for the single Trust by 1 April 2018 with operating arrangements to be finalised thereafter for implementation during 2019. At the meeting of the Council's Cabinet held on 24 January 2018, Elected Members considered the future of the Galleon Leisure Centre and agreed to establish a short term Member/Officer Working Group to review the proposed options for new or refurbished leisure facilities in Kilmarnock and to report back to Cabinet on a preferred option to be funded from the Council's 10 Year General Services Capital Investment Programme. As a consequence of this decision, and noting the critical role that any new or refurbished leisure facility would likely have on both the size and structure of the new Trust, the integration of the two existing Trusts has been deferred in order to allow the Working Group sufficient time to conclude their review and for any recommendations arising therefrom to be considered by Cabinet.
- **Ayrshire Growth Deal:** In September 2016, the three Ayrshire Councils agreed to the submission of the Ayrshire Growth Deal (AGD) strategic business case to the Scottish and UK Governments. An AGD would provide the Ayrshire authorities and partners with the opportunity to focus on the major interventions which would grow the economy and create employment within the region. Subsequently, in December 2016, the three Councils were invited by the Scottish Government to act as a 'Pathfinder' region. An Ayrshire-wide Steering Group was formed to guide the Pathfinder process, comprising senior officials from each of the three Councils, as well as Directors from Scottish Enterprise, Skills Development Scotland and the Scottish Government.

The Ayrshire Growth Steering Group (AGSG) have considered a number of options regarding the best way to deliver economic development related services in the future. Following a detailed options appraisal, they have reached the conclusion that the creation of an 'Ayrshire Economic Vehicle' offers the best possibility of securing the required impact, coupled with ensuring more resilient services in the context of significant financial pressures. This approach would mean that services supporting economic development across Ayrshire are combined into a single body working alongside national agency staff in a new approach to economic development.

Governance arrangements for the Ayrshire Growth Deal and Regional Partnership require to be put in place. Cabinet approved a proposal to establish an Interim Ayrshire Development Board, comprising three elected members from the three Councils. In terms of a governance structure, the preferred model that is currently the subject of consideration is based around a sub-committee of the Ayrshire Shared Services Joint Committee.

The new Interim Ayrshire Development Board met on 25 January 2018. At that meeting, the Board agreed to progress the draft model for the delivery vehicle, and further, to

explore the aligned shared service proposal for Economic Development, Planning and Regulatory Services. This includes the principle of an Ayrshire 'single budget' approach to financing the Pathfinder, subject to further detail on how the proposal will be implemented.

On 29 March 2018, the Prime Minister, announced that the UK Government was opening talks over a new Ayrshire Growth Deal with the three Ayrshire Councils and the Scottish Government that should significantly boost the local economy and opportunities for local communities.

Fourth Strategic Self-Assessment

21. The Council's fourth Strategic Self-Assessment was completed in 2016/17 and follows those undertaken in 2005, 2008 and 2012. The Self-Assessment exercise assesses and scores the Council against the ten Best Value criteria, and uses the input of a 'critical friend' to assist the Council Management Team in challenging high level performance and developing appropriate improvement actions to address any gaps identified in our existing arrangements.
22. A key outcome from the Strategic Self-Assessment is the development of a high level Improvement Plan and this was approved by Cabinet at its meeting on 22 June 2016. An update on progress against the Plan was considered by Cabinet on 14 June 2017 and the Governance and Scrutiny Committee on 15 June 2017.

Transformation Strategy

23. The Council's new Transformation Strategy was set out in reports to Cabinet on 25 October 2017 and 21 February 2018. Council approved the proposed Transformation Strategy at its meeting on 22 February 2018 and noted that detailed actions arising from the high level workstreams that had emerged from the comprehensive 'Vibrant Voices' engagement activity would be presented to Cabinet in June 2018. This will include the development of detailed and costed project plans for six transformational workstreams, namely:
 - A Fairer, Kinder and Connected East Ayrshire;
 - Workforce Planning- Cultural Change and Service Redesign;
 - A Digitally Connected East Ayrshire;
 - A Vibrant and Empowered East Ayrshire;
 - Property and Estate Rationalisation, and
 - Income and Commercialisation.

Service Improvement Plans, Best Value Service Reviews and EFQM

24. Progress updates to Service Improvement Plans and the related Improvement Action Plans were presented to Cabinet in June 2017. Best Value Service Reviews relating to Human Resources and Health and Safety were completed in 2017/18 with further reviews scheduled to be completed early in 2018/19. A full programme of EFQM assessments were completed in 2017. A new three-year programme of Best Value Service Reviews will be developed to commence in 2018/19 alongside new three-year Service Improvement Plans, informed by the emerging detailed workstreams identified in the new Transformation Strategy.

Best Value Assurance Report

25. Audit Scotland's new framework for auditing best value was published in 2016 and the Council was the subject of detailed audit work under this new Framework over December 2017 and January 2018. This audit activity, which was carried out jointly between Audit

Scotland and the Council's external auditors, Deloitte, will culminate in the production and publication of a Best Value Assurance Report that will be considered by the Accounts Commission in May 2018.

Joint Inspection of Services for Children and Young People

26. The joint inspection of services for children and young people in East Ayrshire took place between 28 August and 10 November 2017. It covered a range of Community Planning Partnership agencies that play a key role in providing services for children, young people and families. The inspection reported positively on a number of indicators that have an impact on the health, safety and wellbeing of children and young people of all ages, from pre-birth right through to leaving school and into adulthood. It also considered the range and quality of opportunities, interventions and support that are available to children, young people and their families throughout their childhoods. The inspectors awarded two 'excellent' ratings, five 'very good' ratings and two 'good' ratings. The 'excellent' ratings were given in recognition of the impact services had on the wellbeing of families and for the extent of participation by children, young people, families and other stakeholders in policy, planning and service development.

Council and UK Parliamentary Elections

27. In 2017/18, two significant electoral contests were managed by the Council's established Elections Team.
28. **Council Elections – 4 May 2017:** The elections for all 9 of the Council's Multi-Member Wards provided elector turnout of 44.9%, with 1.9% of the received ballot papers being rejected. The election was conducted using the Single Transferrable Voting system with an eCount system used for the purposes of determining the outcome and declaration of the successful candidate. The results from the election changed the political composition of the Council with a minority SNP Administration with 14 Elected Members now in place. The full breakdown of the Council's political composition is:
- SNP – 14
 - Scottish Labour – 9
 - Scottish Conservative and Unionist – 6
 - Independent – 2
 - The Rubbish Party – 1
29. **UK Parliamentary Election – 8 June 2017:** The 'snap' UK Parliamentary Election was called during the preparatory period for the May Council Elections and added significantly to the Election Team workload. The elector turnout for the contest, which covered the constituency of Kilmarnock and Loudoun was 63.54%, with 46,590 ballot papers being counted.

ANNUAL GOVERNANCE STATEMENT OF ASSURANCE

30. A copy of the Council's proposed Annual Governance Statement for 2018/19 is enclosed at Appendix 3 of this report. This confirms that the Council's corporate arrangements for governance are robust and provides a high level summary of the Council's Governance arrangements as evidenced within the Local Code. It also gives a summary of key achievements over the last year.

ADOPTION OF A REVISED ACTION PLAN FOR 2018/19

31. The scoring exercise subjected the Council's Corporate Governance arrangements to fresh challenge and this has identified areas where our arrangements could be further developed to reflect the requirements of the Framework. These have been incorporated into a number of improvement actions, which will be implemented over the coming year.
32. Full details of the proposed 2018/19 Improvement Action Plan are set out in Appendix 4 of this report and progress on its implementation will feature in the annual Review of the Council's Corporate Governance arrangements in 2019.

POLICY IMPLICATIONS

33. The Council places a high degree of importance on the need to ensure that its arrangements for Corporate Governance are effective and continue to be the subject of ongoing review and improvement.

LEGAL, FINANCIAL, RISK AND EQUALITY IMPLICATIONS

34. None.

RECOMMENDATIONS

35. The Governance and Scrutiny Committee is requested to:
 - (i) note the process of review for the Council's Corporate Governance arrangements;
 - (ii) note the good progress made in the implementation of the Corporate Governance Action Plan for 2017/18, as set out in Appendix 1 of this report;
 - (iii) note the outcome of the scoring exercise and agree the East Ayrshire Local Code of Corporate Governance for 2018/19 included at Appendix 2 of this report;
 - (iv) approve the content of the Council's proposed Annual Governance Statement for 2018/19, as set out in Appendix 3 of this report;
 - (v) agree the proposed Corporate Governance Improvement Action Plan for 2018/19, as set out in Appendix 4 to this report;
 - (vi) note that the East Ayrshire Local Code of Corporate Governance for 2018/19, Annual Governance Statement for 2018/19 and the Corporate Governance Improvement Action Plan will be published and made available to the general public; and
 - (vii) otherwise, note the contents of this report.

Fiona Lees
Chief Executive
16 March 2018

LIST OF BACKGROUND PAPERS

1. CIPFA/SOLACE: Delivering Good Governance in Local Government Framework, 2016
2. CIPFA/SOLACE: Delivering Good Governance in Local Government, Guidance Note for Scottish Authorities, 2016

Members wishing further information on this report should contact: Iain Tough, Policy and Planning Team Leader, Tel: 01563 576575.

Implementation Officer: Alex McPhee, Depute Chief Executive and Chief Financial Officer (Strategic Lead: Economy and Skills)

CORPORATE GOVERNANCE IMPROVEMENT ACTION PLAN 2017/18 – Update on Progress

Action Required	Lead Officer	Timetable	Progress Update (Achieved / Good Progress / Some Progress)
Principle 2 - Ensuring openness and comprehensive stakeholder engagement.			
1. Conclude work to develop the Council's next Transformation Strategy, including engagement with Partners, and present the new Strategy to the Council following the May 2017 Local Government Elections.	Chief Executive/Depute Chief Executive and Chief Financial Officer (Economy and Skills)	2017/18	Achieved: The Council's new Transformation Strategy was set out in reports to Cabinet on 25 October 2017 and 21 February 2018. Council approved the proposed Transformation Strategy at its meeting on 22 February 2018 and noted that detailed actions arising from the high level workstreams would be presented to Cabinet in June 2018.
2. Ensure effective implementation of the duties contained within the Community Empowerment (Scotland) Act 2015 relating to locality planning, participation requests and the development of the Local Outcome Improvement Plan (LOIP).	Chief Executive/Policy, Planning and Performance Manager	2017/18	Achieved: Locality planning arrangements have been developed over the course of 2017/18, aligned to the existing Community Led Action Plan framework. New arrangements for the handling of Participation Requests were also implemented, with effect from 1 April 2017. The new Local Outcomes Improvement Plan 2018-2021 was developed and approved by the CPP Board and Council in March 2018.
3. Ensure implementation of new arrangements for the handling of Social Work Complaints in accordance with the model Complaints Handling Procedure developed by the Scottish Public Services Ombudsman.	Director of the Health and Social Care Partnership/Chief Social Work Officer	2017/18	Achieved: New arrangements for the handling of Social Work complaints were introduced on 1 April 2017 in accordance with the model Complaints Handling Procedure developed by the SPSO.
Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.			
4. Undertake the first three-year review of the strategic priorities and Delivery Plans contained within the East Ayrshire Community Plan 2015-2030.	Executive Management Team/Policy, Planning and Performance Manager	2017/18	Achieved: The first three-year review of the East Ayrshire Community Plan 2015-2030 was completed in March 2018 with new Delivery Plans and a new Local Outcomes Improvement Plan approved by the Council and CPP Board taking effect from 1 April 2018.

<p>5. Continue to ensure the effective implementation of the Council's Performance Management Framework, including Service Improvement Plans, Best Value Service Review Programme and EFQM Assessments.</p>	<p>Executive Management Team/Policy, Planning and Performance Manager</p>	<p>2017/18</p>	<p>Achieved: Progress updates to Service Improvement Plans and the related Improvement Action Plans were presented to Cabinet in June 2017. Best Value Service Reviews relating to Human Resources and Health and Safety were completed in 2017/18 with further reviews scheduled to be completed early in 2018/19. A full programme of EFQM assessments were completed in 2017.</p>
<p>Principle 5 - Determining the entity's capacity, including the capability of its leadership and the individuals within it.</p>			
<p>6. Ensure effective implementation of the induction, learning and development programme for Elected Members following the Council Elections in May 2017.</p>	<p>Chief Governance Officer/Head of Human Resources</p>	<p>2017/18</p>	<p>Achieved: A comprehensive induction, learning and development programme for Elected Members was provided following the Council Elections in May 2017, with arrangements in place for further training and development activity thereafter.</p>
<p>Principle 6 - Managing risks and performance through robust internal control and strong public financial management.</p>			
<p>7. Ensure effective implementation of a new Education Equity and Attainment Board with responsibility for scrutiny and review of all interventions, implementation, progress and outcomes related to the Pupil Equity Fund, Attainment Challenge and other educational attainment programmes, reporting to Cabinet and the Governance and Scrutiny Committee, as required.</p>	<p>Depute Chief Executive and Chief Financial Officer (Economy and Skills)</p>	<p>2017/18</p>	<p>Achieved: The new Education Equity and Attainment Board was established in 2017/18 and has met on 2 occasions (August and November 2017).</p>
<p>Principle 7 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p>			
<p>8. Ensure new CIPFA/SOLACE Framework for delivering good governance is applied to jointly managed or shared service organisations as appropriate.</p>	<p>Chief Governance Officer/Policy, Planning and Performance Manager</p>	<p>2017/18</p>	<p>Achieved: The CIPFA/SOLACE Framework for delivering good governance has helped further strengthen the established governance arrangements in place for the Integrated Joint Board and the Ayrshire Shared Services Joint Committee.</p>
<p>9. Ensure implementation of the actions contained within the Improvement Plan from the Council's fourth Strategic Self-Assessment.</p>	<p>Executive Management Team/Policy, Planning and Performance Manager</p>	<p>2017/18</p>	<p>Achieved: A progress update on the Improvement Plan from the Council's fourth Strategic Self-Assessment was presented to Cabinet on 14 June 2017 and the Governance and Scrutiny Committee on 15 June 2017.</p>

<p>10. Ensure the effective integration of the Kilmarnock Leisure Centre Trust and the East Ayrshire Leisure Trust in accordance with the outcome of the related Best Value Service Review.</p>	<p>Depute Chief Executive (Safer Communities)</p>	<p>2017/18</p>	<p>Some progress: The integration of the two existing Trusts has been deferred in order to allow the Member/Officer Working Group that was established to consider options for new or refurbished leisure facilities in Kilmarnock sufficient time to conclude their review and for any recommendations arising therefrom to be considered by Cabinet.</p>
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Local Code of Corporate Governance 2018/19

The Council's Local Code of Corporate Governance 2018/19 reflects the requirements of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework published in 2016 and the supporting Guidance Note for Scottish Authorities also published in 2016. For each of the seven core principles of good governance outlined in the Framework, there are also a set of supporting principles and specific requirements that should be reflected in local authorities' Local Codes of Corporate Governance.

The Council's assessment of compliance with the principles and sub-principles contained in the CIPFA/Solace Framework have been compared to the previous year's evaluation. An Evaluation Against Code score has been applied with last year's score noted in parentheses.

CORE PRINCIPLE 1

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

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<i>Sub-Principle 1: Behaving with integrity</i>		
1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ Anti-Fraud and Anti-corruption Strategy ◆ Freedom of Information systems and procedures ◆ Information Governance Strategy ◆ Complaints Handling Procedures ◆ Local Code of Corporate Governance updated annually ◆ Social Work Governance Framework 	6 (6)
1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	5 (5)
1.3 Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	
<p>1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p>	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures ◆ Anti-Fraud and Anti-corruption Strategy ◆ Social Work Governance Framework ◆ Whistleblowing Policy ◆ Registers of Interest ◆ Complaints Handling Policy ◆ Arrangements for Declaration of Interests and Council meetings 	5 (5)
<p><i>Sub-Principle 2: Demonstrating strong commitment to ethical values</i></p>		
<p>2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance.</p>	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures ◆ Anti-Fraud and Anti-corruption Strategy ◆ Social Work Governance Framework 	6 (6)
<p>2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p>	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures ◆ Anti-Fraud and Anti-corruption Strategy ◆ Social Work Governance Framework 	5 (5)
<p>2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.</p>	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ Anti-Fraud and Anti-corruption Strategy ◆ Social Work Governance Framework ◆ Corporate Procurement Strategy 	
2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.	<ul style="list-style-type: none"> ◆ Anti-Fraud and Anti-corruption Strategy ◆ Corporate Procurement Strategy ◆ Social Work Governance Framework 	5 (5)
<i>Sub-Principle 3: Respecting the rule of law</i>		
3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	6 (6)
3.2 Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	6 (6)
3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	5 (5)
3.4 Dealing with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures ◆ Anti-Fraud and Anti-corruption Strategy 	5 (5)
3.5 Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ HR Policies and Procedures ◆ Anti-Fraud and Anti-corruption Strategy 	6 (6)

CORE PRINCIPLE 2

Ensuring openness and comprehensive stakeholder engagement

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<i>Sub-Principle 1: Openness</i>		
1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Information Governance Strategy ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Communications Strategy ◆ Open Data Strategy 	5 (5)
1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	<ul style="list-style-type: none"> ◆ Standing Orders ◆ Scheme of Delegation ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Committee Operating Arrangements ◆ Open Data Strategy 	5 (5)
1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> ◆ Standing Orders ◆ Scheme of Delegation ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Committee Operating Arrangements ◆ Open Data Strategy 	5 (5)
1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Community Planning Structures ◆ Tenants Satisfaction Survey ◆ Employee Attitude Survey ◆ Pan-Ayrshire Equality Partnership ◆ Equalities Forum ◆ Equality Impact Assessment Toolkit ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils ◆ Corporate Parenting Group 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<i>Sub-Principle 2: Engaging comprehensively with institutional stakeholders</i>		
2.1 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	<ul style="list-style-type: none"> ◆ 2015-30 Community Plan adopted as sovereign planning document (One Council One Plan) ◆ Community Plan Delivery Plans reviewed ◆ Community Planning Partnership Checklist ◆ Community Planning Partnership Operating Arrangements ◆ Ayrshire Shared Services Joint Committee ◆ Health and Social Care Partnership Joint Integration Board ◆ Corporate Parenting Group ◆ Communications Strategy ◆ Transformation Strategy 	5 (5)
2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> ◆ 2015-30 Community Plan adopted as sovereign planning document (One Council One Plan) ◆ Community Plan Delivery Plans reviewed ◆ Community Planning Partnership Checklist ◆ Community Planning Partnership Operating Arrangements ◆ Ayrshire Shared Services Joint Committee ◆ Health and Social Care Partnership Joint Integration Board 	5 (5)
2.3 Ensuring that partnerships are based on: <ul style="list-style-type: none"> • trust; • a shared commitment to change; • a culture that promotes and accepts challenge among partners, and • that the added value of partnership working is explicit. 	<ul style="list-style-type: none"> ◆ 2015-30 Community Plan adopted as sovereign planning document (One Council One Plan) ◆ Community Plan Delivery Plans ◆ Community Planning Partnership Checklist ◆ Community Planning Partnership Operating Arrangements ◆ Ayrshire Shared Services Joint Committee ◆ Health and Social Care Partnership Joint Integration Board 	5 (5)
<i>Sub-Principle 3: Engaging with individual citizens and service users effectively</i>		
3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Community Planning Structures ◆ Tenants Satisfaction Survey ◆ Pan-Ayrshire Equality Partnership ◆ Equalities Forum ◆ Equality Impact Assessment Toolkit 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils ◆ Community Led Action Plans ◆ Corporate Parenting Group 	
3.2 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Community Planning Structures ◆ Tenants Satisfaction Survey ◆ Pan-Ayrshire Equality Partnership ◆ Equalities Forum ◆ Equality Impact Assessment Toolkit ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils ◆ Communications Strategy 	5 (5)
3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Tenants Satisfaction Survey ◆ Pan-Ayrshire Equality Partnership ◆ Equalities Forum ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils ◆ Communications Strategy 	5 (5)
3.4 Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Complaints Handling Procedure ◆ Complaints Performance Framework ◆ Social Work Complaints Policy and Procedure ◆ Customer First Service Commitment ◆ Communications Strategy 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	<ul style="list-style-type: none"> ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Tenants Satisfaction Survey ◆ Pan-Ayrshire Equality Partnership ◆ Equalities Forum ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils 	5 (5)
3.6 Taking account of the impact of decisions on future generations of tax payers and service users.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Education priorities and pupil engagement ◆ 'Vibrant Voices' consultation 	5 (5)

CORE PRINCIPLE 3

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

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
Sub-Principle 1: Defining Outcomes		
1.1 Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Council-Wide Strategic Self-Assessment of Performance 	5 (5)
1.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	<ul style="list-style-type: none"> ◆ 2015-30 Community Plan ◆ Community Plan Delivery Plans ◆ Transformation Strategy ◆ Single Outcome Agreement (SOA) 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ Streamlined Improvement Plans linked to SOA and Transformation Strategy ◆ Communication Strategy ◆ Framework for Community Engagement – ‘Engaging our Communities’ 	
1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Council-Wide Strategic Self-Assessment of Performance 	5 (5)
1.4 Identifying and managing risks to the achievement of outcomes.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Corporate Risk Management Strategy 	5 (5)
1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report 	5 (5)
Sub-Principle 2: Sustainable economic, social and environmental benefits		
2.1 Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ East Ayrshire Performs ◆ Capital Investment Strategy ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Strategic Environmental Assessments ◆ Equality Impact Assessment Toolkit 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
2.2 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ East Ayrshire Performs ◆ Corporate Risk Management Strategy 	5 (5)
2.3 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ East Ayrshire Performs ◆ Corporate Risk Management Strategy ◆ Framework for Community Engagement - 'Engaging our Communities' 	5 (5)
2.4 Ensuring fair access to services.	<ul style="list-style-type: none"> ◆ Equalities Mainstreaming Report and Shared Equality Outcomes ◆ Equalities Forum ◆ Equality Impact Assessment Toolkit ◆ Corporate Equalities Strategy Group ◆ Equalities Implementation Group 	5 (5)

CORE PRINCIPLE 4

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

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<i>Sub-Principle 1: Determining interventions</i>		
1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.	<ul style="list-style-type: none"> ◆ Three-year Programme of Best Value Service Reviews ◆ Best Value Service Review Guides ◆ Transformation Strategy ◆ Option Appraisal is core element of Best Value Guide 	5 (5)
1.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Led Action Plans ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ 'Vibrant Voices' consultation ◆ Tenants Satisfaction Survey ◆ Equalities Forum ◆ Equality Impact Assessment Toolkit 	
Sub-Principle 2: Planning interventions		
2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Performance Management Framework ◆ Service Improvement Plans ◆ Three-year Programme of Best Value Service Reviews 	5 (5)
2.2 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Led Action Plans ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Employee Attitude Survey ◆ Tenants Satisfaction Survey ◆ Equalities Forum ◆ Communications Strategy 	5 (5)
2.3 Considering and monitoring risks facing each partner when working collaboratively, including shared risks.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ 2015-30 Community Plan adopted as sovereign planning document (One Council One Plan) ◆ Community Plan Delivery Plans ◆ Community Planning Partnership Checklist ◆ Community Planning Partnership Operating Arrangements ◆ Ayrshire Shared Services Joint Committee ◆ Health and Social Care Partnership Joint Integration Board ◆ Corporate Risk Management Strategy 	5 (5)
2.4 Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Service Improvement Plans 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
2.5 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Chief Executive Performance Challenge Sessions 	5 (5)
2.6 Ensuring capacity exists to generate the information required to review service quality regularly.	<ul style="list-style-type: none"> ◆ Organisational Development/People Strategy ◆ Workforce Planning ◆ Service Improvement Plans ◆ Best Value Service Reviews 	5 (5)
2.7 Preparing budgets in accordance with objectives, strategies and the medium term financial plan.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)
2.8 Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)
<i>Sub-Principle 3: Optimising achievement of intended outcomes</i>		
3.1 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
3.2 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)
3.3 Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)
3.4 Ensuring the achievement of 'social value' through service planning and commissioning.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Service Improvement Plans ◆ Community Led Action Plans ◆ Corporate Procurement Strategy 	5 (5)

CORE PRINCIPLE 5

Determining the entity's capacity, including the capability of its leadership and the individuals within it

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<i>Sub-Principle 1: Developing the entity's capacity</i>		
1.1 Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	<ul style="list-style-type: none"> ◆ East Ayrshire Performs ◆ Service Improvement Plans ◆ Three-year Programme of Best Value Service Reviews ◆ EFQM Assessments ◆ Line by line reviews of revenue budget ◆ Chief Executive Performance Challenge 	5 (5)
1.2 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> ◆ East Ayrshire Performs ◆ Service Improvement Plans ◆ Three-year Programme of Best Value Service Reviews ◆ EFQM Assessments ◆ Line by line reviews of revenue budget ◆ Chief Executive Performance Challenge 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
1.3 Recognising the benefits of partnerships and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ 2015-2030 East Ayrshire Community Plan ◆ Community Plan Delivery Plans ◆ Shared Services Joint Committee ◆ Health and Social Care IJB ◆ Transformation Strategy ◆ Service Improvement Plans ◆ Three-year Programme of Best Value Service Reviews ◆ EFQM Assessments ◆ Corporate Procurement Strategy 	6 (6)
1.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> ◆ Organisational Development/People Strategy ◆ Workforce Planning Framework ◆ Service Improvement Plans ◆ Elected Member Learning and Development Programme 	5 (5)
<i>Sub-Principle 2: Developing the capability of the entity's leadership and other individuals</i>		
2.1 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> ◆ Council's Vision and Core Values ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees 	5 (5)
2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	<ul style="list-style-type: none"> ◆ Scheme of Delegation ◆ Standing Orders ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Joint Committee 	6 (6)
2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.	<ul style="list-style-type: none"> ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ Chief Executive Annual Appraisal ◆ Leader's report to Council ◆ Job descriptions for Elected Members and Portfolio Holders ◆ Embedded Appraisal arrangements for the Chief Executive ◆ Formal appraisal process for all Chief Officers ◆ Induction programme for Elected Members and Learning and Development Strategy ◆ EAGER Reviews/Personal Development Plans for employees ◆ Organisational Development/People Strategy 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
<p>2.4 Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; • ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and • ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. 	<ul style="list-style-type: none"> ◆ Corporate Induction Process for employees and Induction programme, including pack and information portal for Elected Members ◆ EAGER Reviews/Personal Development Plans for employees ◆ Organisational Development/People Strategy ◆ Elected Member Learning and Development Strategy ◆ Elected Member Job Descriptions ◆ Programme of Elected Member Training Seminars ◆ Embedded Appraisal arrangements for the Chief Executive ◆ Formal appraisal process for all Chief Officers ◆ Induction programme for Elected Members appointed after elections 	5 (5)
<p>2.5 Ensuring that there are structures in place to encourage public participation.</p>	<ul style="list-style-type: none"> ◆ Scheme of Delegation ◆ Standing Orders ◆ Arrangements for Participation Requests under Community Empowerment Act ◆ Framework for Community Engagement - 'Engaging our Communities' ◆ Vibrant Communities Service ◆ Community Led Action Plans ◆ Community Planning Residents' Survey ◆ Community Planning Residents' Panel ◆ 'Future East Ayrshire' consultation process ◆ 'Vibrant Voices' consultation ◆ Tenants Satisfaction Survey ◆ Equalities Forum ◆ Statutory consultation arrangements and Scheme for the establishment of Community Councils 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
2.6 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	<ul style="list-style-type: none"> ◆ Scheme of Delegation ◆ Standing Orders ◆ Code of Conduct for Councillors ◆ Code of Conduct for Employees ◆ Chief Executive Annual Appraisal ◆ Leader's report to Council ◆ Chief Executive Appraisal ◆ Chief Officer Appraisal Process ◆ Governance and Scrutiny Committee ◆ EAGER Reviews/Personal Development Plans for employees ◆ Organisational Development/People Strategy ◆ Elected Member Learning and Development Strategy ◆ Elected Member Job Descriptions ◆ Programme of Elected Member Training Seminars 	5 (5)
2.7 Holding staff to account through regular performance reviews which take account of training or development needs.	<ul style="list-style-type: none"> ◆ EAGER Reviews/Personal Development Plans for employees ◆ Organisational Development/People Strategy ◆ Embedded Appraisal arrangements for the Chief Executive ◆ Formal appraisal process for all Chief Officers 	5 (5)
2.8 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	<ul style="list-style-type: none"> ◆ HR Policies and Procedures ◆ Occupational Health Service ◆ Healthy Working Lives Initiative ◆ Employee Wellbeing Framework 	5 (5)

CORE PRINCIPLE 6

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

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
Sub-Principle 1: Managing risk		
1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"> ◆ Corporate Risk Management Strategy ◆ Departmental and Service Risk Registers ◆ Service Improvement Plans ◆ Strategic Resilience Group ◆ Chief Social Work Officer Annual Report to Council 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
	<ul style="list-style-type: none"> ◆ Social Work Governance Framework 	
1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	<ul style="list-style-type: none"> ◆ Corporate Risk Management Strategy ◆ Departmental and Service Risk Registers ◆ Service Improvement Plans ◆ Strategic Resilience Group ◆ Chief Social Work Officer Annual Report to Council ◆ Social Work Governance Framework 	5 (5)
1.3 Ensuring that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> ◆ Corporate Risk Management Strategy ◆ Departmental and Service Risk Registers ◆ Service Improvement Plans ◆ Strategic Resilience Group ◆ Chief Social Work Officer Annual Report to Council ◆ Social Work Governance Framework 	5 (5)
Sub-Principle 2: Managing performance		
2.1 Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Chief Executive Performance Challenge Sessions ◆ Governance and Scrutiny Committee 	5 (5)
2.2 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Corporate Risk Management Strategy 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
2.3 Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	<ul style="list-style-type: none"> ◆ Scheme of Delegation ◆ Standing Orders ◆ Governance and Scrutiny Committee ◆ Executive Management Team and Council Management Team ◆ Chief Executive Performance Challenge Sessions ◆ Line by line reviews of the revenue budget ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Three-year Best Value Service Review Programme ◆ EFQM Assessments 	5 (5)
2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Chief Executive Performance Challenge Sessions 	5 (5)
2.5 Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Financial Regulations ◆ Accounting Policy Bulletins ◆ Budget Strategy ◆ Line by line reviews of revenue budget ◆ East Ayrshire Performs ◆ Service Improvement Plans 	5 (5)
Sub-Principle 3: Robust internal control		
3.1 Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> ◆ Corporate Risk Management Strategy ◆ Departmental and Service Risk Registers ◆ Service Improvement Plans ◆ Strategic Resilience Group ◆ Internal Audit ◆ East Ayrshire Performs ◆ Budget Control ◆ EPMS 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
3.2 Evaluating and monitoring risk management and internal control on a regular basis.	<ul style="list-style-type: none"> ◆ Corporate Risk Management Strategy ◆ Departmental and Service Risk Registers ◆ Service Improvement Plans ◆ Strategic Resilience Group ◆ Internal Audit 	5 (5)
3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> ◆ Anti-Fraud and Anti-corruption Strategy 	5 (5)
3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> ◆ Local Code of Corporate Governance – Annual report to Governance and Scrutiny Committee ◆ Annual Internal Audit Report and Work Plan submitted to Executive Management Team and Governance and Scrutiny Committee. 	5 (5)
<p>3.5 Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> • provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, and • that its recommendations are listened to and acted upon. 	<ul style="list-style-type: none"> ◆ Standing Orders ◆ Scheme of Delegation ◆ Governance and Scrutiny Committee (the Council's Audit Committee) ◆ Call-in arrangements for Cabinet decisions 	5 (5)
Sub-Principle 4: Managing data		
4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	<ul style="list-style-type: none"> ◆ Information Governance Strategy ◆ Open Data Strategy 	5 (5)
4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	<ul style="list-style-type: none"> ◆ Information Governance Strategy ◆ Data sharing protocols 	5 (5)
4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	<ul style="list-style-type: none"> ◆ Chief Executive Performance Challenge Sessions ◆ Internal Audit review of Performance Indicators ◆ EPMS Performance Scorecards ◆ Chief Officer 1:1 meetings 	5 (5)

Sub-Principle 5: Strong public financial management		
5.1 Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Accounting Policy Bulletins 	6 (6)
5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Accounting Policy Bulletins 	6 (6)

CORE PRINCIPLE 7

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

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
Sub-Principle 1: Implementing good practice in transparency		
1.1 Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	<ul style="list-style-type: none"> ◆ Corporate report template and guidance ◆ Report writing training ◆ Communications Strategy ◆ Committee Agendas, reports and minutes published on website. 	5 (5)
1.2 Striking a balance between providing the right amount of information to satisfy transparency demands	<ul style="list-style-type: none"> ◆ Corporate report template and guidance ◆ Report writing training 	5 (5)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
and enhance public scrutiny while not being too onerous to provide and for users to understand.	<ul style="list-style-type: none"> ◆ Communications Strategy ◆ Joint Council and CPP Board Annual Meeting 	
<i>Sub-Principle 2: Implementing good practices in reporting</i>		
2.1 Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Accounting Policy Bulletins ◆ Joint Council and CPP Board Annual Meeting ◆ Chief Social Work Officer Annual Report to Council 	6 (6)
2.2 Ensuring members and senior management own the results reported.	<ul style="list-style-type: none"> ◆ Transformation Strategy ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs ◆ Annual Performance Report ◆ Statutory Performance Indicators ◆ Consolidated Community Plan/SOA Annual Performance Report ◆ Local Outcome Improvement Plan ◆ Council-Wide Strategic Self-Assessment of Performance ◆ Service Improvement Plans ◆ Accounting Policy Bulletins 	6 (6)
2.3 Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).	<ul style="list-style-type: none"> ◆ Annual report to Governance and Scrutiny on the update to the Local Code of Corporate Governance ◆ Considered and approved by the Executive Management Team in advance ◆ Annual Governance Statement of Assurance 	5 (5)
2.4 Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.	<ul style="list-style-type: none"> ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Committee Operating Arrangements 	4 (4)

The behaviours and actions that should be reflected in the Council's Local Code:	Demonstration of Local Compliance	Evaluation Against Code
2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.	<ul style="list-style-type: none"> ◆ Budget Strategy Reports ◆ Annual Audited Statement of Accounts ◆ East Ayrshire Performs 	5 (5)
Sub-Principle 3: Assurance and effective accountability		
3.1 Ensuring that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none"> ◆ Audit recommendations reported to Governance and Scrutiny Committee ◆ Progress monitored by Executive Management Team ◆ Annual assurance statements provided by Depute Chief Executives and Heads of Service to confirm compliance 	6 (6)
3.2 Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.	<ul style="list-style-type: none"> ◆ Internal Audit service in place, reporting directly to the Chief Executive ◆ Annual Internal Audit Report and Work Plan submitted to Executive Management Team and Governance and Scrutiny Committee. ◆ Reports to Governance and Scrutiny Committee 	6 (6)
3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	<ul style="list-style-type: none"> ◆ Strategic Self-Assessment of Performance includes independent 'critical friend' challenge ◆ External validation of Council performance and governance welcomed ◆ Reports to Governance and Scrutiny Committee 	6 (6)
3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	<ul style="list-style-type: none"> ◆ Standing Orders ◆ Scheme of Delegation ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Committee Operating Arrangements ◆ East Ayrshire Leisure Trust ◆ Annual report to Governance and Scrutiny on the update to the Local Code of Corporate Governance ◆ Corporate Risk Management Strategy ◆ Public Protection Chief Officer Group ◆ Annual Governance Assurance Statement 	5 (5)
3.5 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	<ul style="list-style-type: none"> ◆ Standing Orders ◆ Scheme of Delegation ◆ CPP Board Operating Arrangements ◆ IJB Operating Arrangements ◆ Shared Services Committee Operating Arrangements ◆ East Ayrshire Leisure Trust ◆ Public Protection Chief Officer Group 	5 (5)

**Code of Corporate Governance
Documents/Evidence by Core Principle 2018/19**

2016 CIPFA/Solace Core Principles of Good Governance:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Determining the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Evidence	Principles							Date of Last Review	Date of Next Review
	1	2	3	4	5	6	7		
Annual Accounts	X					X		2017	2018
Annual Efficiency Statement	X					X		2017	2018
Annual Performance Report		X	X	X		X		2017	2018
Annual Education Standards and Quality Report		X	X	X			X	2017	2018
Annual Statement of Educational Improvement Objectives		X	X	X			X	2017	2018
Annual Treasury Management Report	X	X	X	X		X	X	2017	2018
Anti-fraud and Anti-corruption Strategy	X					X	X	2017	2018
ARA Annual Performance Report		X	X	X		X		2017	2018
Best Value Audit (Audit Scotland) - BVAR	X	X	X	X	X	X	X	2010	2018
Best Value and Performance Framework		X	X	X		X		2017/18	2019/20
Chief Executive Appraisal					X	X		2016	2018
Chief Officer Appraisal					X	X		2017	2018
Chief Social Work Officer Annual Report	X	X	X	X	X	X	X	2017	2018
Child Protection Committee Annual Report and Business Plan	X	X	X	X	X		X	2017	2018
Civil Contingencies Response and Recovery Plan		X		X	X	X		2017	2018
Code of Conduct for Councillors	X	X			X		X	2013	As required
Code of Conduct for Employees	X	X			X		X	2013	As required
Communications Strategy		X					X	2015	As required
Community Plan 20015-2030 – Vision and Guiding Principles	X	X	X	X	X	X	X	2017/18	2020/21
Community Plan Delivery Plans	X	X	X	X	X	X	X	2017/18	2020/21
Community Planning Residents' Survey		X		X			X	2017	2020
Community Planning Partnership Checklist		X		X			X	2017/18	2018/19
Complaints Handling Procedure		X		X			X	2016	As required
Complaints Performance Framework		X		X			X	2012	N/A
Consolidated Community Plan/SOA Performance Report		X	X	X			X	2017	N/A
Corporate Governance Improvement Plan	X	X	X	X	X	X	X	April 2017	April 2018
Corporate Governance Statement of Assurance	X	X	X	X	X	X	X	April 2017	April 2018
Corporate Procurement Strategy	X	X	X				X	May 2014	2018/19
Corporate Risk Management Strategy	X		X	X		X	X	2013	2017
Customer First Service Commitment		X		X			X	2017/18	2018/19
Departmental Business Continuity Plans		X		X	X	X		2017/18	2018/19
East Ayrshire Leisure Annual Performance Report		X	X	X		X	X	2017	2018
East Ayrshire Performs		X	X	X		X	X	2017/18	2018/19

Elected Member Learning and Development Strategy	X	X			X			2016/17	As required
Employee Attitude Survey		X			X			2017	2020
Equalities Mainstreaming Report		X	X	X				2015	2018
Financial Regulations	X		X	X		X	X	2015	As required
Governance and Scrutiny Committee Chair's Report to Council		X						2017	2018
Harassment and Bullying Policy		X			X			2017	As required
Health and Social Care Strategic Plan	X	X	X	X	X	X	X	2015	2018
Information Governance Strategy	X	X						2015	As required
Integrated Children and Young Peoples' Service Plan and related Action Plans	X	X	X	X	X	X	X	2017	As required
Leader's Report to Council		X						2017	2018
Local Code of Corporate Governance	X	X	X	X	X	X	X	April 2017	April 2018
Local Outcomes Improvement Plan		X	X	X		X		2018	2019
Open Data Strategy		X	X			X	X	2017/18	As required
Organisational Development Strategy		X			X			2017	As required
Scheme of Delegation	X	X					X	2017	2018
Service Improvement Plans		X	X	X	X	X	X	2018/19	2021/22
Social Work Complaints Policy		X		X			X	2017	As required
Standing Orders	X	X						2017	2018
Strategic Priorities Annual Performance Reports		X	X	X		X	X	2017	2018
Strategic Self-Assessment of Performance		X	X	X		X	X	2016	2020
Tenants Satisfaction Survey		X			X			2017	2020
Tourism Strategy		X	X	X		X	X	2016	As required
Transformation Strategy	X	X	X	X	X	X	X	2017/18	As required
Treasury Management and Investment Strategy	X	X	X	X		X	X	2017	2018
Whistleblowing Policy	X	X			X			2017	As required
Workforce Management Framework	X	X			X			2017/18	As required

East Ayrshire Council Annual Governance Statement of Assurance

Scope of Responsibility

East Ayrshire Council is responsible for and fully committed to ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in performance, while maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, equal opportunities and future sustainability.

In discharging this overall responsibility, members and senior officers are responsible for putting in place proper arrangements (known as the governance framework) for the governance of the Council's affairs and facilitating the effective exercise of its functions. This includes setting the strategic direction, vision, culture and values of the Council; the effective operation of corporate systems, processes and internal controls; engaging with and leading the community; monitoring whether strategic priorities and outcomes have been achieved; ensuring that services are delivered cost-effectively; maintaining appropriate arrangements for the management of risk; and ensuring that the Council complies with the Statement on the Role of the Chief Financial Officer in Local Government.

To this end, the Council has approved and adopted a Code of Corporate Governance which is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 2016 Framework Delivering Good Governance in Local Government and the supporting Guidance Notes for Scottish Authorities. A copy of the Code, the update on the 2017/18 Action Plan and the 2018/19 Action Plan can be downloaded [here](#). The Code evidences our commitment to achieving good governance and demonstrates how we comply with the governance standards recommended by CIPFA/SOLACE. The Code is reviewed and updated on an annual basis, most recently by the Governance and Scrutiny Committee on 26 April 2018.

The Council has also put in place a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve strategic priorities and outcomes but can provide reasonable if not absolute assurance. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's strategic priorities and outcomes; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, which direct and control the Council's activities and through which we account to, engage with and lead the community. It enables us to monitor the achievement of the strategic priorities and outcomes set out in the 2015-2030 East Ayrshire Community Plan, which the Council has adopted as its sovereign planning document and to consider whether those priorities and outcomes have led to the delivery of appropriate, cost-effective services. The governance framework was further strengthened during the year ended 31 March 2018 and will continue to be reviewed.

The Governance Framework

The following provides a summary of the main features of our governance arrangements.

The East Ayrshire Community Plan 2015-30 came into effect on 1 April 2015 and is the sovereign and overarching planning document for the East Ayrshire area. It provides the strategic policy framework for the delivery of public services by all of the Partners and is also the Council's Corporate Plan covering the 15 years from 2015 to 2030.

The Community Plan is implemented through three thematic Delivery Plans, namely Economy and Skills, Safer Communities and Wellbeing, along with the day to day work carried out by services across the Council.

The first three-year review of the Community Plan and the thematic Delivery Plans was completed in 2017/18 with new Delivery Plans in place from 1 April 2018.

The Community Plan is underpinned by the Local Outcomes Improvement Plan which provides a robust performance management framework and demonstrates a sound understanding of place and local circumstances. This understanding has informed development of our local priorities which have been identified in consultation with our communities, Partners and a wide range of key stakeholders; and we remain, as a partnership, committed to resourcing jointly the delivery of improved outcomes to realise our shared vision for East Ayrshire. The Community Plan and associated documentation can be accessed [here](#).

The Community Planning Partnership Board is supported by robust governance arrangements and a third formal joint engagement event between the Council and CPP Board was held on 21 September 2017 to consider the Single Outcome Agreement Annual Performance Report, and the Integrated Health and Social Care Partnership Annual Report. Similar arrangements are proposed for 2018/19.

Our Community Planning structures are designed to ensure that people and communities are genuinely engaged in decisions about public services which affect them and, in this regard, we conducted our latest Community Planning Residents' Survey in 2017

The Council's new Transformation Strategy was approved by Elected Members in February 2018 and is designed to ensure that our services remain financially sustainable in the current economic climate. The Strategy identifies 6 key workstreams and detailed actions in support of these high-level themes will be consider by the Council's Cabinet in June 2018. The development of the Transformation Strategy was informed by an extensive 'Vibrant Voices' consultation and engagement process.

The challenging financial environment in which the Council is currently operating has required an immediate response to deliver the level of efficiencies required. The effective management of the Council's Revenue Budget, within the context of the current challenging financial situation, has been achieved through effective financial stewardship to ensure that the required level of cost reductions were realised across all Council services. The recent spending review has resulted in a further reduction in funding available but the Transformation Strategy has proved sufficiently robust to ensure that the Council has been able to set a balanced budget for 2018/19 without the need to change direction.

Policy and decision making is conducted through the Council's decision-making structure, which includes the Cabinet and Governance and Scrutiny Committee. Cabinet has responsibility for discharging all of the Council's functions except those reserved to the Council and those matters specifically delegated to other statutory, quasi-judicial committees. The Governance and Scrutiny Committee is fully compliant with Audit Committee principles and full details of its responsibilities

are available [here](#). The Governance and Scrutiny Committee undertakes the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities & Police (2013) report by providing an independent and high-level resource to support good governance and strong public financial management within the Council. This includes the satisfaction that the Council's assurance statements are an accurate reflection of the current position, the internal audit function is effective and supported by committee and that risk management arrangements are considered effective.

The Governance and Scrutiny Committee considers the reports and recommendations of external audit and inspection agencies and their implications for governance, and risk management or control, and supports effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourages the active promotion of the value of the audit process and review the financial statements. The committee considers the external auditor's opinion and reports to members, and monitors management action in response to the issues raised by external audit. These arrangements ensure that the Council has processes and procedures in place to ensure that it fulfils its overall purpose, achieves its intended outcomes for service users and operates in an economical, effective, efficient and ethical manner, as prescribed in the CIPFA Audit Committees: Practical Guidance document.

We have continued to enhance and strengthen our internal control environment through updating and introducing new policies and procedures. The Scheme of Delegation sets out the remit of Elected Member Portfolio Holders and the extent of delegations made to Committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The Council also has Financial Regulations and Standing Orders relating to contracts in place and all of these procedural documents are regularly reviewed.

The Council's system of internal financial control is based on a framework of regular management information, financial regulations, accounting policy bulletins, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:

- Comprehensive budgeting systems;
- Measurement of financial and other performance against targets;
- Regular reviews of periodic and annual financial reports, which indicate financial performance against the forecasts and targets;
- Clearly defined capital expenditure guidelines;
- Performance relating to the Leisure Trust, Ayrshire Roads Alliance and Health and Social Care Partnership; and
- Formal project management disciplines, as appropriate.

Cabinet and the Governance and Scrutiny Committee receive regular East Ayrshire Performs reports, which include the elements listed above.

The Council's approach to risk management is well embedded with a Corporate Risk Register supported by Departmental Risk Registers and regular reports are provided to the Council Management Team and Elected Members. The Corporate Risk Register is presented periodically to Cabinet and the Governance and Scrutiny Committee as part of the East Ayrshire Performs reporting framework. The Council's business continuity strategy has been cascaded down through the organisation with each department and service holding individual business continuity plans.

We have a Whistleblowing Policy and Codes of Conduct for employees and Elected Members, and high standards of behaviour are supported by employee contracts of employment and annual EAGER reviews, which identify individual training and development requirements. An Elected Member Learning and Development Strategy is well established and Job Outlines for Elected

Members, including Members of the Governance and Scrutiny and Police and Fire and Rescue Committees are in place. A training needs analysis is undertaken on an annual basis and individual Development Plans are subsequently agreed for all Elected Members. The Elected Members induction, training and development arrangements were reviewed in 2016/17 in preparation for the new Council being elected following the Local Government Elections in May 2017. The elections for all 9 of the Council's Multi-Member Wards provided elector turnout of 44.9%. The results from the election changed the political composition of the Council with a minority SNP Administration with 14 Elected Members now in place.

Service Improvement Plans for all Council Services are in place and annual progress updates relating to the Action Plans are presented to Cabinet. New three-year Service Improvement Plans will be developed in 2018/19 to reflect the updated Community Plan, Local Outcome Improvement Plan and the Council's new Transformation Strategy. These provide the link between service priorities and Community Planning and Council strategic priorities and outcomes; link service performance with financial and other resources and play a pivotal role in identifying and delivering service improvements and efficiency.

The Council monitors performance using an Electronic Performance Management System (EPMS), which is populated with a wide range of performance indicators agreed following a comprehensive review of performance indicators across all Council services. These indicators inform the Chief Executive's, Depute Chief Executives' and Heads of Service Performance Scorecards all of which are updated with real time period performance information and reported and monitored using EPMS. In 2017, the Council moved to a new Performance Management Platform (Pentana), thereby improving functionality and accessibility of performance and management information and making it easier to share performance information within the CPP.

The Council has in place a strong and embedded process of self-assessment. Our comprehensive approach to self-evaluation comprises the Council-wide Strategic Self-Assessment of performance undertaken by the Council Management Team supported by an external critical friend, the aim of which is to ensure that the Council continues to remain well placed to respond to and meet the requirements of Best Value. The Council's fourth Strategic Self-Assessment was completed early in 2016/17 with the related Improvement Plan being approved by Cabinet at its meeting on 22 June 2016. A progress update against the Improvement Plan was presented to Cabinet and the Governance and Scrutiny Committee in June 2017.

The Council's most recent Employee Attitude Survey was also concluded in 2017 with the findings of the Survey being reported to Cabinet in January 2018. Improvement Actions are now being developed by Services to respond to the issues raised.

Statutory Roles

The Council's procedural documentation clearly details the decision making structure. This includes Scheme of Delegation; Standing Orders; Standing Orders relating to contracts; Contract Procurement Protocol; Financial Regulations; Local Government Access to Information Registers; Departmental Service Descriptions; Officer delegated responsibility; and the role of Elected Member portfolio holders.

The Council's Scheme of Delegation designates the Chief Executive as the Council's Head of Paid Service in terms of the Local Government and Housing Act 1989. This requires the post holder to carry out the specified duties associated with this statutory role, including responsibility, where it is appropriate, for setting out proposals and reporting to Council, in relation to the undernoted matters:

- The manner in which the discharge by the authority of their different functions is co-ordinated;
- The number and grades of staff required by the authority for the discharge of their functions;

- The organisation of the authority's staff; and
- The appointment and proper management of the authority's staff.

The Chief Governance Officer, and Solicitor to the Council, acts as Monitoring Officer and ensures that the Council acts within legal and statutory requirements.

The Depute Chief Executive and Chief Financial Officer (Economy and Skills) is the proper officer of the Council with statutory responsibility for the administration of its financial affairs for the purposes of Section 95 of the Local Government (Scotland) Act 1973 and is a member of the Executive Management Team. This reflects best practice identified by Audit Scotland. Officer responsibilities are reflected in the Job Description for the Depute Chief Executive (Economy and Skills) and Chief Financial Officer and the Council's Financial Regulations, which confirm that the Depute Chief Executive and Chief Financial Officer (Economy and Skills) shall be responsible for the administration of the financial affairs of the Council and shall act as a financial adviser to the Council, Cabinet and all Committees.

The Council's Scheme of Delegation designates the Head of Children's Health, Care and Justice Services as Chief Social Work Officer in terms of the Social Work (Scotland) Act 1968 and requires the post holder to carry out the specified duties associated with this statutory role by ensuring the provision of effective, professional advice to Elected Members and officers in relation to the provision of social work services. As part of the Council response to the legislative changes brought about by the Public Bodies (Joint Working) (Scotland) Act 2014, the management of Social Work Services were transferred to the Integration Joint Board with effect from 1 April 2015.

The Local Authority Accounts (Scotland) 2014 Regulations which came into force on 10 October 2014 require a local authority to operate a professional and objective internal auditing service. The long standing internal audit arrangements within East Ayrshire Council fulfil this obligation. The internal audit service must be provided in accordance with recognised standards and practices in relation to internal auditing. Recognised standards and practices are those set out in the Public Sector Internal Audit Standards (PSIAS).

Review of Effectiveness

During 2017/18, East Ayrshire Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice. Specifically, the Council's governance arrangements have been reviewed and tested against the requirements of the CIPFA/SOLACE Framework. Whilst this process of review is co-ordinated corporately and approved by the Executive Management Team, Depute Chief Executives and Heads of Service have a responsibility to ensure that their own governance arrangements are adequate and operating effectively. In line with the CIPFA/SOLACE Framework, each Depute Chief Executive and Head of Service is required to make an annual statement confirming that this is the case.

The Internal Audit function within East Ayrshire Council is directly responsible to the Chief Executive for the independent appraisal of the Council's systems of internal control. During 2017/18 the Internal Audit section operated in accordance with the Public Sector Internal Audit Standards (PSIAS) which were introduced on 1 April 2013. External Audit subject the work of Internal Audit to annual review, Deloitte LLP, the Council's current external auditors reflect that review in their annual report with no issues arising to date.

Internal Audit's fifth annual Internal Quality Assessment (IQA) for 2017/18, as required by the PSIAS, was reported to the Governance and Scrutiny Committee on 26 April 2018 with no significant issues arising. A separate report was also considered by Committee reporting the outcome of the first External Quality Assessment (EQA) of Internal Audit in line with PSIAS obligations. The EQA was carried out by an independent assessment team and concluded that,

“East Ayrshire Council’s Internal Audit Service complies with the main requirements of the PSIAS”. The EQA was carried out as an independent validation of the 2017/18 IQA process making specific reference to that exercise, “Of 197 areas within the Standards (both Attribute and Performance), we found that the Internal Audit team had self-assessed compliance with the recommended practice within the Standards: fully compliant in 187 areas (95%) and partially compliant in one area (0.5%). Nine areas were deemed not applicable (4.5%)”. The EQA also concluded that, “the service is well positioned within the organisation and a highly valued team that makes an active contribution to the overall Council governance arrangements”.

Individual internal audit assignments can result in sound assurance. The Internal Audit annual opinion is based on a programme of selective testing so it can never be absolute. The most that Internal Audit can provide in their annual opinion is reasonable assurance on the Council’s systems of internal control using a risk-based programme of work. During 2017/18, Internal audit opinions for completed individual assignments ranged from reasonable through to sound assurance, with a number of assignments currently being completed. On the basis of selective testing of key controls, it can be concluded that, in the main, controls were generally operating as expected during the period under review. A number of recommendations have been made by Internal Audit to further improve controls through action plans developed with management to address improvements. Internal Audit has also undertaken a small number of investigations resulting in improvement actions being agreed with management. Controls issues identified during these investigations are not deemed to significantly impact on the overall annual assurance for the Council. Internal Audit’s overall opinion, based on the work carried out, and in line with PSIAS requirements, continues to be that reasonable assurance can be placed upon the adequacy and effectiveness of the Council’s framework of governance, risk management and control in the year to 31 March 2018. The objectives of internal control have been substantially met. In line with established practice Internal Audit’s Annual Report for 2017/18 was reported to the Council’s Governance and Scrutiny Committee on 26 April 2018.

Improvements Proposed

The system of governance (including the system of internal control) provides reasonable assurance that assets are safeguarded; that transactions are authorised and properly recorded; that material errors or irregularities are either prevented or would be detected within a timely period; and that significant risks impacting on the achievement of our strategic priorities and outcomes have been mitigated. The review carried out in 2017/18 highlighted improvements that could be implemented in some areas and these are contained within the Corporate Governance Improvement Plan for 2018/19.

Conclusion

We consider the governance and internal control environment operating during 2017/18 to provide reasonable and objective assurance that significant risks impacting on the achievement of our principal strategic priorities and outcomes will be identified and actions taken to avoid or mitigate their impact. A number of improvements are proposed to further strengthen our governance arrangements and these are set out in the improvement action plan 2018/19. Implementing the action plan is a priority and progress will be reported to the Governance and Scrutiny Committee.

Systems are in place for regular review and improvement of the governance and internal control environment. The Council will continue to review its corporate governance arrangements and take any additional steps as are required to further enhance these arrangements and will review their implementation and operation as part of the next annual review.

Councillor Douglas Reid
Leader of the Council
April 2018

Fiona Lees
Chief Executive

CORPORATE GOVERNANCE IMPROVEMENT ACTION PLAN 2018/19

Action Required	Lead Officer	Timetable
Principle 2 - Ensuring openness and comprehensive stakeholder engagement.		
1. Continue to implement the Council's new Transformation Strategy, ensuring effective executive oversight and project management arrangements are in place to support the development and delivery of detailed action plans in support of the high level workstreams that had been identified following the Vibrant Voices engagement activity.	Executive Management Team/Council Management Team/Transformation Strategic Leads	2018/19
2. Ensure the effective implementation of the new thematic Delivery Plans 2018-21 which were developed as a consequence of the 2017/18 Community Plan Review and approved by the CPP Board and Council in March 2018.	Executive Management Team/Policy, Planning and Performance Manager	2018/19
3. Ensure effective implementation of the actions contained within the Improvement Plan developed following the publication of the Council's Best Value Assurance Report.	Executive Management Team/Policy, Planning and Performance Manager	2018/19
4. Ensure the effective implementation of the actions contained within the Improvement Plan developed following the publication of the Joint Inspection of Services for Children and Young People.	Children's Strategic Partnership/Head of Children's Health, Care and Community	2018/19
5. Undertake a review of the Council's Social Media arrangements in the context of the existing Communications Strategy.	Depute Chief Executive and Chief Financial Officer/Policy, Planning and Performance Manager	2018/19
Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes.		
6. Develop new three-year Service Improvement Plans and Best Value Service Review Programme, informed by the emerging Transformation Strategy workstreams and the review of the Community Plan.	Executive Management Team/Policy, Planning and Performance Manager	2018/19
7. Work with colleagues in NHS Ayrshire and Arran to prepare, publish and implement a local child poverty action report, linked to the wider community planning partnership framework.	Director Health and Social Care/Policy, Planning and Performance Manager	2018/19

Action Required	Lead Officer	Timetable
Principle 5 - Determining the entity's capacity, including the capability of its leadership and the individuals within it.		
8. Take the development of the Council's Workforce Plan to the next stage in the context of the Council's new Transformation Strategy.	Head of Human Resources/Transformation Strategic Leads	2018/19
Principle 6 - Managing risks and performance through robust internal control and strong public financial management.		
9. Continue to ensure the effective implementation of the Community Planning Partnership's performance management framework, including conclusion of final year progress reporting against the Single Outcome Agreement 2015-18; and implementation of the necessary arrangements to ensure the effective reporting of partnership progress in relation to the new Local Outcomes Improvement Plan 2018-2021.	Executive Management Team/Policy, Planning and Performance Manager	2018/19
Principle 7 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.		
10. Ensure the effective integration of the Kilmarnock Leisure Centre Trust and the East Ayrshire Leisure Trust in accordance with the outcome of the related Best Value Service Review.	Depute Chief Executive (Safer Communities)	2018/19
11. Develop governance arrangements for the Ayrshire Growth Deal and Regional Partnership in accordance with the Cabinet decision to establish an Interim Ayrshire Development Board, comprising three elected members from the three Ayrshire Councils, aligned to Ayrshire Shared Services Joint Committee, as appropriate.	Head of Planning and Economic Development	2018/19
12. Develop and implement new performance reporting arrangements to the Council's Governance and Scrutiny Committee in respect of the Council's new Strategic Priorities.	Executive Management Team/Chief Governance Officer	2018/19
13. Conclude the detailed review of the funding mechanism for those individual community and voluntary sector projects that are recipients of Grants Committee funding as part of the Transformation Strategy.	Depute Chief Executive and Chief Financial Officer/Transformation Team	2018/19

<p>14. Consider the implications for the Council and the Health and Social Care Partnership arising from the new 'Duty of Candour' introduced by the Health (Tobacco, Nicotine etc. and Care) (Scotland) Act 2016.</p>	<p>Director of Health and Social Care</p>	<p>2018/19</p>
<p>15. Develop and implement arrangements to ensure compliance with the Fairer Scotland Duty as set out in Part 1 of the Equality Act 2010 and which came into effect on 1 April 2018.</p>	<p>Depute Chief Executive and Chief Financial Officer/Policy, Planning and Performance Manager</p>	<p>2018/19</p>

April 2018