

# **Annual Governance Statement (AGS) 2018/19**

## **1. Introduction**

Oadby & Wigston Council (the Council) is responsible for ensuring that its business is conducted in accordance with legislation, regulation, government guidance and that proper standards of stewardship, conduct, probity and professional competence are set and abided to by all those representing , working for and working with the Council.. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility the Council must make proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions including the management of risk.

The Council has previously approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government. This statement shows how the Council has complied with the code and also meets the requirements of The Accounts and Audit Regulations 2015, regulation 6(1)(b), which requires each English local authority to conduct a review, at least once a year, of the effectiveness of its systems of internal control and approve an annual governance statement (AGS).

## **2. Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It reflects activities through which the Council meets the needs of the community. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. Evaluation of the likelihood and potential impact of those risks being realised and how to manage them efficiently, effectively and economically are key parts of the Council's Medium Term Financial Strategy and its Corporate Plan.

This AGS confirms that the governance framework has been in place for the financial year ended 31<sup>st</sup> March 2019 and up to the date of the approval of the Annual Report and the Statement of Accounts.

### **3. What does the AGS tell you about Good Governance?**

The AGS is a summarised account of how the Council's management arrangements are set up to meet the principles of good governance and how we as a Council assure ourselves that these are effective and appropriate. The main goal of an AGS is to provide the reader with confidence that the Council has an effective system of internal control that is able to manage risks to reasonable levels. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness.

The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- 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.
- Developing the Council's capacity, including 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.

The governance framework at Oadby and Wigston Borough Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles.

### **4. The Governance Framework**

#### ***Current Governance Structure***

Oadby & Wigston Borough Council has retained a committee system. The majority of UK local authorities now operate using a cabinet system where a group of members have been given the power to make the majority of decisions on behalf of their Council.

The benefits of retaining the committee system are that all members are able to sit on a range of decision making committees and every member has a vote that counts. This is the cornerstone of the Council's governance – members are not marginalised in decision making. All decisions are debated and made during open committee in full public view. Closed sessions, for instance where commercially sensitive matters need to be discussed, are kept to an absolute minimum. Only the most urgent decisions are delegated to the Chair/Vice Chair of committees, and these must be reported back to the main committee as soon as possible. In

addition to the statutory committees that deal with development control and with licensing, the Council has two main committees:

- The Policy, Finance and Development Committee, which has overall responsibility for setting the long term aims of the Council and moving it forward in line with these objectives.
- The Service Delivery Committee, which has direct responsibility for the day-to-day operation of all services.

### ***Visions and Priorities***

The latest Corporate Plan was approved in March 2019, covering the period 2019 - 2024 and the updated MTFS (Feb 2019) reflects the Plan's priorities:

## **“A Stronger Borough Together, Improving the Lives of Our Communities”**

This is supported by three new corporate objectives which aim to serve our residents, communities, businesses and partners to the highest standards, improving our borough as a place to live, work and visit.

### **Corporate Objective One:**

#### **Building, Protecting and Empowering Communities**

***“Be Proud of your borough as a place to live”***

This objective looks to not only build suitable accommodation to meet the needs of the community, delivering housing, attract people to our borough to live, reducing homelessness and the causes of homelessness, but to also build upon our strong communities, engaging with them and building greater community cohesion.

We also want to protect our communities, not just working with the Police to tackle crime, antisocial behaviour and enforcement, but to address health needs across the borough. We will work with health partners, including the Fire Service, to improve health equality, meaning nobody should feel excluded and reducing loneliness created by the modern world.

We will empower our communities, generating positive involvement, not only through the work of Councillors within their wards and neighbourhood forums, but to engage a greater proportion of our borough, engaging with those who often feel disenfranchised. We will increase our volunteering opportunities and encourage our communities to get more involved, taking greater responsibility for where they live, work and play.

### **Corporate Objective Two:**

#### **Growing the Borough Economically**

***“Realise the aspirations of the borough, benefiting those who live and work here”***

This objective aims for our borough to be the best it can be, economically. We will work with businesses – from local sole traders to multinational corporations as to how we can help businesses develop and grow within our borough whilst attracting new organisations to the borough. This will not only provide greater opportunities for employment for our residents and regeneration opportunities, but helps our local students with opportunities to stay within the borough whereas they may be forced to look further afield for such opportunities.

The borough has a rich array of attractions that should attract people to the borough, but sadly we are not maximising these. We will market the borough as a place that is worth visiting, working with partners to create a “joined-up” approach. We will also identify what areas of demand we are lacking and look to plug those gaps – increasing the reasons to visit the borough. We will also look at our entertainment and night-time economy and look to create a sustainable and enjoyable environment where people can enjoy the borough through a host of opportunities in the evenings.

The Council will look to be more commercial in regards to generating income that can protect frontline services and not have to cut them. We will look to maximise the value our assets can provide and look at ventures that could generate commercial income rather than increase taxes on our communities.

### **Corporate Objective Three:**

#### **Providing Excellent Services**

***“Delivering those services needed to the highest standard whilst providing value for money”***

This objective for our borough is to put the customer first – getting things right first time and providing services to the highest standards. The Council has always aspired to provide excellent services for all of our customers, be they Residents, Businesses, Partner Organisations or internally, meaning that we need to understand their needs. The Council has already shifted to focussing on outcome delivery, and we will ensure that we will get things right at the first opportunity we have.

The Council will aim to achieve the prestigious and nationally recognised “Customer Service Excellence Award” to demonstrate that we are achieving what we have set out to do. The award is a quality-mark award that rates how the services received by residents are delivered by the Council. We will use this award as a driver of continuous improvement and enable our staff to improve their skills which will enable further improvements in the delivery of services.

We will also be utilising technology to make life safer for our residents or the implementation of smart technology in the homes of the vulnerable to allow them instant access to services, alongside the utilisation of technologies to improve our effectiveness in delivering our services.

The Council's financial plans are outlined in its Medium Term Financial Strategy – the latest update to the Strategy was agreed by Council in February 2019. The document outlines the financial objectives which the Council looks to achieve in order to meet continuing pressure on available resources, and also how the Medium Term Financial Strategy is now a “living” document, regularly updated during the year. In addition, the Council has agreed its Housing Revenue Account business plan which sets out how housing services will be maintained and financed over the long term.

## **Quality of Services**

Service plan targets and key performance indicators are set for each department within the annual service delivery and development plans. Progress against targets is monitored monthly by the management team and reported regularly to relevant committees. The Council's financial position is reported against budget to every meeting of the Policy, Finance and Development Committee. Detailed budget information is provided to budget holders each month and dedicated project teams provide financial information for large projects or capital schemes.

The Council ensures that its key priorities determine the allocation of resources to deliver its agreed activities. A robust corporate business planning programme is used to identify projects against agreed criteria, including the Council's policies, its priorities, the outcome of public consultations, demonstration of continuous improvements, and responding to legislative change. The Council has a Project Management Board, who reviews the progress of all major projects. The Board consists of, in 2018-19, the Chief Executive, the Director of Finance and Resources and the Head of Customer Services and Transformation. The board meets monthly, and reports to the Performance, Finance and Development Committee on a quarterly basis.

Achievement of the Council's priorities has been monitored throughout the financial year 2018/19 by the Council's Senior Management Team (Senior Leadership Team in 2019 onwards) and reports to the relevant committees. The monitoring of delivery against agreed priorities ensures the Council's capacity to deliver projects within agreed costs, time and resources.

As part of the budget setting process in 2018/19, this was aligned to the setting of service delivery plans and Key Performance Indicators, all in which were linked to the Corporate Strategy. By linking Budgets, Service planning and Performance, the council can ensure that it is working effectively towards the strategic objectives.

## **Financial Management**

The financial elements of the Council's corporate business planning process are included in the Medium Term Financial Strategy, which has a detailed one year budget and high levels for the forthcoming years given the complete lack of clarity from central government regarding future funding for local authorities. Whilst the Council's MTFS runs until the end of the current national local government funding

settlement, the Council has financial scenarios in place further to that, and this enables the authority to be agile in its development, and be alert to potential significant financial risks that the authority may face. The Council has a good track record of financial management and internal control, but resources are necessarily limited and significant net savings year-on-year continue to be required, and are met without the need to identify significant in-year savings.

The Council continues to ensure that the accounts are compliant with the Local Authority Accounting Code of Practice. Performance against budget is reported at committee meetings and managed by SMT and through the corporate business planning process. The Council ensures that the levels of reserves it holds are sustainable over the medium term. The MTFS takes account of the current economic climate and changes to funding for local government.

The Council has a Treasury Management Strategy that is reviewed each year and monitored on a regular basis. This ensures the Council has sound processes and controls over its treasury function to minimise risk exposure.

### **Decision Making, Scrutiny and Governance**

The Council, the Policy, Finance and Development Committee and the Service Delivery Committee take decisions on service and management matters in line with terms of reference set out in the constitution. The committees meet four times each municipal year. The Policy, Finance and Development Committee undertake the role of the Audit Committee for the Council and provide continuous monitoring and scrutiny of financial management, performance, policy and action plans. Further challenge is provided by elected members through meetings with Committee Chairmen, Resident Forums and Member Workshops.

Scrutiny is provided at officer level through the work of the Council's internal audit function which is currently delivered by CW Audit Services. The annual risk based audit plan contributes to the review of the Council's key internal control systems, risk management processes and corporate governance arrangements. CW Audit supports the design and effectiveness of the governance framework. Each internal audit review is given an assurance level. The definition of each of these assurance levels is provided in the table below:

**Table – Definition of Assurance Levels**

<b>Level of Significance</b>	<b>Criteria</b>
Full	No significant risk issues identified.
Significant	Exposure to levels of risk that may only impair the effectiveness of the system or process under review.
Moderate	Exposure to levels of risk that render some elements of the system's control environment undeliverable.
Limited	Exposure to unacceptable level of risk that could have a serious impact upon the system or process under review.
No	Exposure to unacceptable levels of risk that could have a

	serious impact upon the organisation as a whole.
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Regular meetings are held between CW Audit Services and the Director of Finance and Transformation (the Council's Section 151 Officer) and with the Chief Executive. This ensures the high standard of internal audit support is maintained. The annual audit plan is reviewed on a frequent basis to identify any amendments needed to reflect changing priorities, emerging risks or resourcing challenges.

The Policy, Finance & Development Committee receives regular reports from the Council's External Auditors (KPMG) and Internal Audit (CW Audit). Where appropriate, comments are made on non-compliance with legislation that has been identified as part of a routine audit. The Director of Finance and Transformation has direct access to this committee as well as to the External Auditors. All members of the Policy, Finance & Development Committee receive training in risk management so as to allow them to appreciate the nature of risks presented to the Council through its activities.

There are governance arrangements in place to ensure that members and officers work together to achieve a common purpose with clearly defined functions and roles. The Council's constitution includes a scheme of delegation and terms of reference for each committee. Responsibilities are set out to make clear how the Council and its committees operate within the organisation. The scheme of delegation also defines the powers granted to the Chief Executive (the Head of Paid Service) and other chief officers within the areas of their service responsibility. The constitution reflects all relevant legislation impacting on decision making in local government and is published on the Council's website.

Elected members are responsible for ensuring that effective policy making, scrutiny and monitoring activities occur. A clear committee structure assists such responsibilities to be effectively carried out. Member expertise and involvement is further enhanced by on-going training and development opportunities.

The Council has a statutory responsibility to have a Section 151 Officer and a Monitoring Officer. The Council's financial arrangements fully conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The Director of Finance and Transformation is a key member of the Senior Management Team. The Director of Finance and Transformation is responsible for the proper administration of the Council's financial arrangements and led a fully resourced and suitably qualified finance function. The Director of Finance and Transformation was actively involved in and able to bring influence to bear on all material business decisions to ensure immediate and long term implications, opportunities and risks, were fully considered and in alignment with the Medium Term Financial Strategy.

Underpinning the Council's financial management arrangements is a regularity framework comprising Financial Regulations, Contract Procedure Rules, annual

audits of key financial systems and audits of other systems undertaken on a risk-based basis. Other processes and procedures such as the Procurement Strategy and Risk Management Strategy are monitored on a regular basis.

The Monitoring Officer role is fulfilled by the Council's Head of Legal and Democratic Services, who acts as guardian of the Council's constitution to ensure lawfulness, probity and fairness in Council decision making. The Monitoring Officer has processes for the review of legislative changes which feed into the annual review of the constitution.

Consultation meetings and other forms of communication between the Monitoring Officer and senior managers as appropriate ensures that managers can contribute to revisions to the constitution including the scheme of delegation. The annual review includes the constitution's terms of reference.

The Director of Finance and Transformation and the Head of Legal and Democratic Services report directly to the Chief Executive.

Officer decision making at a strategic level is led by the Senior Management Team, comprising the Chief Executive, the Director of Finance and Transformation (as S.151 Officer), and the Head of Legal and Democratic Services (in their role as Monitoring Officer). The Team meets formally on a bi-weekly basis and standing items of business include finance, policy, governance, human resources, performance management and the delivery of the Council's priorities.

## **Standards of Conduct**

Officers of the Council are expected to maintain high standards of conduct. The Council has a staff code of conduct that is published on the intranet along with other policies and procedures.

There is an agreed protocol between members and officers to ensure that a constructive working relationship exists and this Annual Governance Statement also promotes and demonstrates the values of good governance through upholding high standards of conduct and behaviour.

In addition, Policy, Finance and Development committee fulfils the functions of the Standards Committee and operates to ensure that councillors and any co-opted members of the Council behave in a way that exemplifies high standards of conduct and effective governance and has regard to the member code of conduct.

Regular records of advice and code issues are kept by the Monitoring Officer.

Declaring interests under the code of conduct is a standard item on the agenda at every committee meeting and Council and declarations are minuted by the clerk. A legal advisor attends all Council and committee meetings to advise on the application of the code and other issues where this is requested or otherwise considered appropriate. A planning code of conduct is in place and is adhered to by members who sit on the Development Control Committee.



Members and officers comply with the Council's gift and hospitality policy.

The Council's website explains how complaints can be made against elected members by either downloading a complaint form or making a complaint on-line. The web page also has links to the code of conduct and the constitution.

A register of the Council's contracts is published on the Council's website. In addition, details of the Council's spend on individual items over £250 is published on a quarterly basis.

## **Compliance**

The Council's policies and procedures are drawn up and regularly reviewed to ensure compliance with current legislation and regulations. Legal Services assist with updating and amending policies and advice on legal implications including legislative impacts on recommendations included in committee reports.

Equalities implications are also considered as part of committee reports.

## **Whistle Blowing**

Concerns regarding non-compliance with policies, procedures, laws and regulations can be raised through the Council's anti-fraud and confidential reporting policies. Concerns raised are always investigated and acted upon following clearly defined guidelines.

The Whistle Blowing Policy is published on the Council's intranet and internet to raise awareness and outline procedures in place to staff, contractors and the public. It features in the induction of new staff.

The Monitoring Officer, after consultation with the Chief Executive and Section 151 Officer, has statutory powers to report to Council in relation to any function, proposal, decision or omission that s/he considers would give rise to unlawfulness or any decision or omission that might give rise to maladministration. Such a report would have the effect of stopping the proposal or decision being implemented until the report has been considered.

## **Officer and Member Development**

The Council's staff appraisal process assesses performance and delivery of Council objectives and also identifies any skills gaps that need addressing. Each officer has an agreed annual personal development plan. Progress against these plans is reviewed regularly through one-to-one discussions with line managers. The process ensures that the Council continually keeps under review the levels of skills required to carry out functions with due regard to law, policy and regulation.

As part of the Council's business planning process each service plan includes learning and development needs linked to specific actions. This ensures that the

skills sets required delivering the key priorities and actions for the Council are identified and provided.

Training programmes and other development opportunities are circulated and shared more broadly using the Council's internal communication mechanisms. The Council also supports the training and development of members.

### **Consultation**

Engaging with local people and other stakeholders to ensure robust public accountability is a key element of the governance framework. The Council takes every opportunity to consult with relevant stakeholders before taking any decisions likely to impact on the level and quality of services. In addition, the Council's business planning process includes an annual timetable of formal consultation events ensuring statutory, voluntary and business partners have the opportunity to comment on budget proposals under consideration.

The Council has given delegated authority on budget provision to three Resident Forums who can make recommendations to the Policy, Finance & Development Committee on how funds could be allocated to various projects within their geographic area. The Forums' membership is open to people who live in the three areas and this approach has been found to be a very good source of two-way communication and consultation around the Council's policy initiatives.

### **Reviewing the Effectiveness of the Governance Framework**

The Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment. The annual report from the Council's Internal Audit service (CW Audit Services) is a key document in assessing the effectiveness of the Council's governance arrangements. Comments from External Auditors (KPMG) and other agencies and inspectorates such as the Local Government Association are also important.

The Senior Management Team, chaired by the Chief Executive, reviews the Council's governance framework and control environment and is responsible for the preparation of the Annual Governance Statement. Appropriate managers are responsible for producing their own service assurance statements and developing an improvement plan to rectify any identified governance weaknesses within their service areas. The Policy, Finance & Development Committee reviews the Annual Governance Statement and evaluates the strength of the underlying assurance statements and evidence.

## **5. Annual Review of Effectiveness**

The Framework provides examples of documents, systems and processes that an authority should have in place. Using this guidance, the Council can provide assurance that it has effective governance arrangements. The Council has an approved Local Code of Corporate Governance and this provides examples of good governance in practice.

The Council's Constitution includes Finance and Contract Procedure Rules and Schemes of Delegation to Chief Officers. These translate into key operational internal controls such as: control of access to systems, offices and assets; segregation of duties; reconciliation of records and accounts; decisions and transactions authorised by nominated officers; and production of suitable financial and operational management information. These controls demonstrate governance structures in place throughout the Council.

### **Audit Functions**

The Council does not have a separate audit committee; instead, the constitutional audit functions are discharged by the Policy, Finance & Development Committee. The Committee receives reports from the Internal Audit service and can require service heads to attend to answer questions as required. Reports from the External Audit service are also received at these meetings.

### **External Audit**

The Council's external auditors are KPMG.

Each year the external auditors review the Council's arrangements for:

- Preparing accounts and compliance with statutory and other relevant requirements.
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice.
- Managing performance to secure economy, efficiency and effectiveness in the use of resources.

In September 2018 KPMG issued their Annual Audit Letter, covering the audit of the Council's 2017/18 financial statements and Value for Money conclusion, providing an unqualified opinion on the accounts and an unqualified conclusion on the Council's arrangements for Value for Money.

There were no recommendations included in the Letter and no significant governance issues were identified.

## **Internal Audit**

The Council's Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the Council's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Policy, Finance and Development Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below. The Head of Internal Audit's role reflects best practice as set out in the CIPFA Guidance on the Role of the Head of Internal Audit.

For 2018/19, the auditor's opinion was that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk. No significant governance issues were identified by the auditor.

## **Risk Management**

During 2018/19 the Council's Strategic Risk Register was monitored by Policy, Finance & Development Committee. The register identified major risks and commented on their likelihood and impact on the Council's objectives. Each risk is allocated a responsible officer for identifying an action plan and provides an update. Risk management is embedded in processes such as appraisal of new capital investment and service development plans.

## **The Role of the Chief Financial Officer (CFO)**

From September 2017, the Director of Finance and Transformation undertook the role of the Chief Financial Officer (CFO) for the Council. The CFO conforms to the governance requirements and core responsibilities of two CIPFA Statements on the Role of the Chief Financial Officer; in Local Government (2016) and in the Local Government Pension Scheme (2014). The CFO is a key member of the Corporate Management Team and is able to bring influence to bear on all material business decisions, ensuring that immediate and long term implications, opportunities and risks, are fully considered and in alignment with the MTFS and other corporate strategies. The CFO is aware of, and committed to, the five key principles that underpin the role of the CFO, and has completed an assurance statement that provides evidence against core activities which strengthen governance and financial management across the Council.

## **The Role of the Monitoring Officer (MO)**

The Monitoring Officer has responsibility for ensuring that decisions taken comply with all necessary statutory requirements and are lawful. Where in the opinion of the

Monitoring Officer any decision or proposal is likely to be unlawful and lead to maladministration, he/she shall advise the Council.

The MO is also bound to ensure that decisions taken are in accordance with the Council's budget and its Policy Framework, and provides advice on the scope of powers and authority to take decisions.

In discharging this role the Monitoring Officer is supported by officers within the Legal and Democratic Services Teams.

### **Key Matters**

The following key matters were considered by the Council and its principal committees during 2017/18:

#### Council

- Budget proposals and budget monitoring
- Council Tax Base, Support and Setting
- Members' Code of Conduct
- GDPR
- Staffing Issues
- Building Control Shared Services
- Delegated reports from Forums and Committees
- Council Tax Support Scheme
- Universal Credit
- Members' Allowances
- Constitutional review

#### Policy, Finance and Development Committee

- Individual internal audit reports and the annual report and plan
- Reports from the external auditor including the annual plan and report on the Statement of Accounts
- Budgetary control and financial updates
- Treasury management and prudential indicators
- Debt recovery
- Residents' Forums

- Welfare Reform and Council Tax Support Scheme
- Pooling of Non-Domestic Rates
- Risk management
- Updating of Council policies and strategies
- Medium Term Financial Strategy and Housing Business Plan
- Contract Procedure Rules

#### Service Delivery Committee

- Housing allocations
- Homelessness
- Disabled Facilities Grants
- Leisure Contract Performance
- Service operational updates
- Fees and charges
- Corporate enforcement
- Empty homes strategy
- Customer Services transformation and charters
- Refuse and Recycling

#### **Local Government Ombudsman**

The number of references to the Local Government Ombudsman amounted to 4, during the year 2018-19 of which the Ombudsman chose not to investigate 3 as they were either premature or there was insufficient evidence of fault by the Council. The remaining reference investigated by the end of the year (31st March 2019), led to a finding that the Council had been guilty of maladministration. The Council has yet to determine its response to the Ombudsman's recommendations in this case.

There were three ongoing investigations outstanding as at 31<sup>st</sup> March 2018 which were resolved in the financial year 2018-19. Of these, one investigation resulted in a finding of maladministration by the Council whilst in the other two cases no maladministration was found although the Council did in one case fail to communicate in a timely manner.

As at 31 March 2019 there were no cases under investigation by the Ombudsman.

## **Constitutional Matters**

The key roles and responsibilities of Council committees, elected members, the Chief Executive, Monitoring Officer and Section 151 Officer are set out in the Council's constitution scheme of delegation.

These three officers are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. No report can be presented to Council or a committee for approval without first being reviewed by these officers or their delegated representative(s). These officers are also responsible for ensuring that legislation and policy relating to health and safety are implemented in practice.

The constitution includes the Contract Procedure Rules and Financial Regulations which detail the processes and improvements required for various levels of purchase and the internal control procedures required for managing the risk across the Council.

The Council continued to review its constitution, with a working group set up to make recommendations to Council as to the form of a revised constitution. This work was concluded by 31 March 2019 and Council adopted the revised Constitution on 16 April 2019 for implementation in the 2019/20 municipal year.

## **Willow Park**

The Council was notified by the Health and Safety Executive (HSE) of an incident that occurred in Willow Park in July 2019 when a mobility scooter toppled over resulting in the death of an elderly resident. An initial examination of the disabled access ramp identified an unsafe modification to the ramp and as a result the HSE served an Improvement Notice on the Council. The Council commissioned the provision of a new disabled access ramp which was fully installed by November 2019 and as result the Improvement Notice was considered to have been fully complied with.

## **Brexit**

There continued to be political uncertainty around Brexit which resulted in uncertainty and lack of confidence within the local business sector. As the proposed exit date (29 March 2019) approached the Council fully engaged with partners and Central Government in planning responses to any contingencies that may have arisen on exit or otherwise.

The Council identified that the delay in exiting the EU had the potential to require participation in the European Elections in May 2019 and contingency planning was undertaken.

The Brexit delay has also had impacts on the long term funding situation for local authorities as the local government settlement was delayed and Government only announced a 1 year settlement.

## **GDPR**

The Council undertook a significant programme of work to ensure that the authority was GDPR compliant by the deadline of 25<sup>th</sup> May 2018. That work included a fundamental review of the information stored, the deletion of unnecessary files and paperwork, training of staff and members and communications with the public. That programme received a positive audit in June 2018 to assess compliance against the project plan. GDPR continues to be bedded into all systems and processes across the council under the direction of the Council's Data Protection Officer.

## **Code of Conduct**

The standards of behaviour expected from members and officers are set out in the Member/Officer Codes of Conduct. A register of members' interests is maintained and the records of interest are declared at Council and committee meetings. All members are required to complete Related Party Declarations at the end of the financial year in support of the statutory financial statements. Members' allowances are examined on an annual basis and a review of the allowance scheme was undertaken in 2018/19 by an independent remuneration panel and will come into force for the 2019/20 municipal year.

The Monitoring Officer supervised and dealt with a number of complaints against Members during the year which resulted in sanctions being imposed. The sanctions ranged from the requirement to provide a formal apology to the complainant/s, a requirement to provide a formal apology to Full Council, letters of censure, removal of council facilities and removal from Committees.

## **6. Significant Governance Issues**

### **2018/19**

During the 2018/19 financial year, no significant governance issues arose. A number of minor weaknesses in control limited assurance in the following areas:

- Performance Management
- Risk Management
- The Capital Programme
- Cyber Security
- Taxi & Hackney Carriage Licensing
- Housing Repairs & Voids
- Food Safety

Follow up work in all of the above areas has shown recommendations have been implemented or in the process of being implemented.



## 2017/2018 update

During the 2017/18 financial year, no significant governance issues arose. However, there are a number of issues/matters that have arisen as part of the management review of governance. The table below identifies these issues and how the authority addressed them.

Reference	Issue/Area for Improvement 2017/18	Lead Officer	Action Completed
1	S106 Agreements: Lack of evidence of statutory testing and reviewing of contributions not robust.	Head of Planning and Regeneration	Documented evidence to confirm that the statutory tests as required by R122(2) of the CIL Regulations has been met for each S106 Agreement are retained.  Management reviews all developer contributions historically owed to the Council under S106 agreements and determine which ones should be pursued for recovery in consultation with the Director of Finance and Transformation. Focus
2.	Lack of Project Management or procurement specialisms within the Council	Director of Finance and Transformation	A project management team has been created focussing on Projects and Procurement, with additional staffing resources allocated during 2019/20.
3.	Risk of Council being victim of fraud or cybercrime	Head of Finance, Revenues and Benefits	Controls are in place, and have been tested and audited to ensure that this risk has been eliminated.
4.	Comprehensive Risk Management culture embedded within the authority	Senior Management Team	Whilst Risk Management is part of the Council's daily operations, from the Strategic Risk Register, to operational, project and service risk plans, the Council is developed a risk management strategy that will embed risk management as an overt part of the authority's culture and will be push risk higher up the Council's transparency agenda.

5.	Utilisation of business cases to make informed decisions	Senior Management Team	The Council has a process where new bids for funding, projects or schemes must be supported by a fully tested Business Case. Any bid without an approved Business Case will not be approved.
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### **Conclusion and Statement from the Leader of the Council and Chief Executive**

This statement is intended to provide reasonable assurance. We propose that we continue to maintain the level of governance at the authority, whilst striving to improve wherever we can. Where issues have been identified in preparation of this report, we will ensure that they are effectively addressed and we will monitor their improvement as part of the next annual review.



**Cllr John Boyce**

**Leader of the Council**



**Anne Court**

**Chief Executive**