



Annual Governance  
Statement  
2023/2024

## **Executive Summary:**

Melton Borough Council is committed to improving the lives of all residents and creating opportunity and prosperity for local people and businesses. This commitment is set out in the Council's Corporate Strategy 2024 to 2036 which sets out 3 core values as follows:

1. **We Care:** Valuing others and developing ourselves; committed and passionate about what we do.
2. **We Innovate:** Ambitious, creative and resourceful; putting customers first and learning from feedback.
3. **We Achieve:** Taking responsibility and seeking excellence; always proud to serve.

The Strategy in turn sets out 6 priorities:

Helping People

**Theme 1: Healthy communities and neighbourhoods**

**Theme 2: High quality homes and landlord services**

Shaping Places

**Theme 3: Tourism and town centre regeneration and vitality**

**Theme 4: Sustainable growth and infrastructure**

Great Council

**Theme 5: Right conditions to support delivery**

**Theme 6: Engaging and connected Council**

To be successful the Council must have a solid foundation of good governance and sound financial management.

The Council's Local Code of Corporate Governance sets out how we aspire to and ensure that we are doing the right things, in the right way and in line with our values. The Code of Corporate Governance will shortly be refreshed to reflect the new Corporate Strategy and ensure synergy of both sets of values.

Each year the council is required to produce an Annual Governance Statement (AGS) describing how its corporate governance arrangements contained in the Local Code have been working. This statement gives assurances on compliance for the year ending 31 March 2024 and up to the date of approval of the statement of accounts.

The AGS shows that in most areas the Council has very effective arrangements in place. We will continue to review, streamline and improve our processes to ensure these arrangements remain effective, now and into the future.

Whilst the coronavirus pandemic has now passed and did not have direct impact during the period covered by this statement, changes to the how the Council's services were delivered during the pandemic have been further developed to support their effective delivery in the future. These include more flexible working arrangements and yet further innovative use of technology.

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The Leader and Chief Executive confirm they have been advised of the implications of the review of governance arrangements by Senior Management and the Audit and Standards Committee and are satisfied that the arrangements continue to be regarded as fit for purpose and the steps outlined in this document will address the areas identified for improvement.

Signed on behalf of Melton Borough Council:

Chief Executive

Leader

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## Introduction

Melton Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

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 is responsible for putting into place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Council adopted a revised Local Code of Corporate Governance in 2021, which is consistent with the principles of the CIPFA/ SOLACE Framework 'Delivering Good Governance in Local Government' 2016. That Code is shortly to undergo a full review to ensure synergy with the Council's Corporate Strategy. A copy of the current version of the Code is available on our website at [www.melton.gov.uk](http://www.melton.gov.uk) or can be obtained from the Council Offices in Melton Mowbray upon request. This statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government.

The Annual Governance Statement assesses governance in place during 2023/24 and a conclusion has been included at the at the end of the Statement.

## The Governance Framework

### The Purpose of the Governance Framework

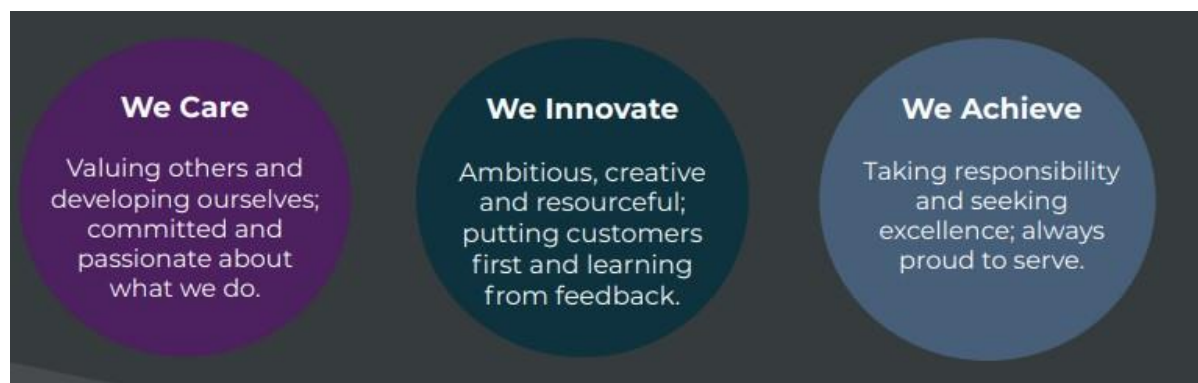
The governance framework comprises the systems, processes, culture and values, by which the Authority is controlled. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The Authority's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. 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 policies, aims and objectives, 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 governance framework has been in place for the year ending 31 March 2024, and up to the date of the approval of the Statement of Accounts.

### The Governance Framework- Our Vision, Priorities and Values

The Council's vision, priorities and values are set out in the Corporate Strategy which was adopted by Council in February 2024. The new Strategy re-affirmed the Council's Mission as "Helping People, Shaping Places". The Council's vision is:

*"We want to be a first-class council: on the side of our communities and providing great services, where the customer comes first. We want to help people reach their potential, support the most vulnerable, and protect our rural environment. We want to provide more and better homes, create better jobs and regenerate the town. We want to ensure Melton prospers, benefitting those who live here and attracting others to visit and invest".*

The Council's values are:



The Council's Strategy is designed to present a clear focus for the Council during this time and is separated into six priority themes under 3 Core Values:

Helping People

**Theme 1: Healthy communities and neighbourhoods**

**Theme 2: High quality homes and landlord services**

Shaping Places

**Theme 3: Tourism and town centre regeneration and vitality**

**Theme 4: Sustainable growth and infrastructure**

Great Council

**Theme 5: Right conditions to support delivery**

**Theme 6: Engaging and connected Council**

The key elements of each priority are set out in detail in the Strategy, with Themes 5 and 6 being relevant for the purpose of this Statement.

Theme 5 sets out key actions in relation to the Key Focus Areas of: ensuring good governance and performance management; effective organisation and great place to work; and delivering financial sustainability and value for Money. Similarly, Theme 6 sets out key actions in relation to the Key Focus Areas of: promoting local democracy; and engaging and communicating effectively with residents.

The strategy has been developed using a range of sources to ensure it is evidence based and responds to the issues facing both the council and the community.

Further details of the strategy can be found on the website: [Corporate Strategy 2024-2036 – Melton Borough Council](#).

## The key elements of the Governance Framework

### Role of Governance Arrangements

From May 2019, the Council has operated Executive governance arrangements, which consist of a Cabinet with a Scrutiny function. All Cabinet members have been allocated a specific portfolio and are responsible for driving forward the Council's key strategic themes.

The Council has a Constitution which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people. This was approved in May 2024 and is kept under continuous review.

### Role of the Council

#### The Council:

- **Comprises 28 elected Members (Councillors)**
- **Approves the Council's Corporate Strategy, Policy and Budgetary Framework**
- **Approves the Constitution**
- **Appoints to Committees, Sub-Committees and Outside Bodies**

The extent of the role of Council in reviewing and monitoring effectiveness of internal control is set out in the Council's Constitution.

### Role of Cabinet

#### The Cabinet:

- **Comprises the Leader and 4 Cabinet members appointed by the Leader; one of which is appointed as Deputy Leader. All cabinet members are responsible for a portfolio (Portfolio Holders)**
- **Provides strategic leadership to the Council and discharges executive functions, namely any matters that are not reserved to Council or another Committee**
- **Decisions can be made by Cabinet as a whole or by the relevant Cabinet Portfolio Holder, a Committee of the Cabinet or Officers to whom a power has been delegated.**

Cabinet regularly considers strategic risk registers, performance, complaints, and other items which make up the governance framework. Scrutiny Committee are encouraged to scrutinise Cabinet's work plan and consider as appropriate.



Cabinet provides strategic leadership to the Authority and is held to account by the Council's Scrutiny Committee.

## **Role of Scrutiny**

### **The Scrutiny Committee:**

- **Not a decision-making body but has a role in influencing policies and decisions prior to them being made**
- **Has the ability to challenge/review decisions by calling them in**
- **Can investigate issues of public importance**

**The role that Scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy.** Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself.

## **Role of Audit and Standards Committee**

### **The Audit and Standards Committee:**

- **Provide assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.**
- **Approves the Local Code of Corporate Governance, The Annual Governance Statement, and the Statement of Accounts**

The Committee meets with the external auditor to discuss findings in the Annual Audit Management Letter and Reports, and the Committee is responsible for ensuring that the Council's system for internal control is sound by reviewing control mechanisms, and guidelines (both internal and external) as well as adherence to these, ensuring continued probity and good governance of the Council's operations.

## **Role of Management**

The Authority has two layers of management and its management teams each play important roles in maintaining the governance framework.

### **The Senior Leadership Team (SLT):**

- **Implements policy and budgetary framework set by Council and provides advice to Committees of the Council on the development of future policy, procedure, and budgetary issues.**
- **Oversees delivery of the Councils Corporate Strategy and implementation of Council Policy**
- **Oversees implementation of audit recommendations to improve weaknesses in controls in a timely manner**

- **Responsible for ensuring audit recommendations to improve weaknesses in controls are actioned in a timely manner**
- **Responsible for developing, maintaining, and implementing the Council's governance risk and control framework.**
- **Contributes to the effective corporate management and governance of the Council**
- **Responsible for ensuring audit recommendations to improve weaknesses in controls are actioned in a timely manner**

The Senior Leadership Team ("SLT") comprising the Chief Executive, Directors, and the Monitoring Officer meet weekly and focus on strategic issues, projects and programmes and the health of the organisation.

The Extended Senior Leadership Team ("EXTSLT") comprising SLT and Assistant Directors meet weekly or as required to focus on both the Council's strategic direction, leadership, and organisational development.

The Assistant Directors meet monthly to consider operational service issues and ensure compliance with corporate matters, such as performance, risk registers, and compliance, before SLT consider them.

All Directors meet with the Service Managers in their respective Directorates to consider specific service matters regularly.

## **Role of Statutory Officers**

### **Head of Paid Service**

- **Overall Corporate management and operational responsibility for the Council (including overall management responsibility for all employees)**
- **The Head of Paid Service will determine how the Council's functions are discharged, the number and grade of officers required to discharge those functions and how officers are organised into an overall officer structure**
- **The provision of professional advice to all parties in the decision-making process and responsibility for a system of record keeping for all the Council's decisions.**
- **Proper Officer for Access to Information**

### **Chief Finance Officer (s.151)**

- **Accountable for developing and maintaining the Council's governance, risks, and control framework.**
- **Ensuring lawfulness and financial prudence of decision making and the administration of financial affairs**

- **Providing advice to all Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity, and budget & policy framework issues.**
- **Support and advise Councillors in their respective roles**
- **Contributes to the effective corporate management and governance of the Council**

### **Monitoring Officer (MO)**

- **Monitoring, reviewing, and maintaining the Constitution.**
- **Ensuring lawfulness and fairness of decision making**
- **Supporting the Audit and Standards Committee by conducting investigations and/or undertaking other action in respect of matters referred by the Committee**
- **Advising whether decisions are in accordance with the Constitution**
- **Providing advice to all Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity, and budget & policy framework issues.**
- **Support and advise Councillors in their respective roles Contributes to the effective corporate management and governance of the Council**

The three statutory officers; the Head of Paid Service (the Chief Executive), the Monitoring Officer (Assistant Director for Governance and Democracy) and Section 151 Officer (Director for Corporate Services) fulfil the statutory duties associated with their roles as detailed above.

The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The Council formally reviews its Financial Procedure Rules on a regular basis the last light touch update being completed in December 2023. On-going updates are implemented as part of the regular reviews of the Constitution.

## **Role of Internal Audit**

### **Head of Internal Audit**

- **Provides independent assurance and opinion on the adequacy and effectiveness of the Council's risk management and control framework**
- **Through the internal audit service delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity and makes recommendations for the improvement in the management of risk and control**

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The Internal Audit service is responsible for monitoring the quality and effectiveness of systems of internal control. The Council has delegated its Internal Audit function to North Northamptonshire Council. Internal Audit undertakes its work in accordance with the CIPFA Code of Practice for Internal Audit in the United Kingdom and the Public Sector Internal Audit Standards.

Internal Audit has direct access to the Chair of Audit and Standards Committee which is responsible for the audit function within the Council.

A risk model is used to formulate an annual audit work plan, progress against which is reviewed each quarter by Senior Leadership Team and the Audit and Standards Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Director as well as the Section 151 Officer and Monitoring Officer.

The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation.

Progress against recommendations is followed up by Internal Audit and reported to Audit and Standards Committee at each meeting throughout the year.

The Internal Audit Annual Report for 2023/24 will be considered by the Audit and Standards Committee in July 2024. The Head of Internal Audit's opinion overall, based on all Internal Audit work during the year is that Moderate Assurance can be given over the adequacy and effectiveness of the Council's control environment for 2023/24. Further details are provided below.

### **Role of External Audit**

The current external auditors are Grant Thornton LLP. External Auditors audit the financial statements and provide an audit opinion on whether the financial statements of the Council give a true and fair view of the financial position as at 31 March 2024 and of the income and expenditure for the year then ended. External Auditors also consider whether the Council has put in place proper arrangements to secure economy, efficiency, effectiveness on its use of resources. No significant issues have been raised relating to issues arising from audit work undertaken to date.

## **Role of Risk Management**

A robust risk management framework is an integral part of operational service delivery and the decision-making process. An up to date and regularly reviewed Risk Management Policy and Strategy is maintained. This requires that both Directorate and Strategic Risk Registers are maintained with appropriate action plans to mitigate and manage identified risks. The strategic risk registers are reviewed and updated at the Senior Leadership Team as appropriate. Directorate risk registers are reviewed within team meetings.

To ensure that risk is considered when decisions are made, all reports presented to Members must include a risk assessment of the actions or implications within the report. This assessment also covers legal and financial and value for money considerations. Decisions that are due to be made by elected members identify risks and categorise them as high and low probability and high and low impact on the Authority and plans are put in place to reduce the probability of those risks occurring and to reduce the service impact if they do occur. Risk assessments are also put in place as part of the Council's Project Management process.

Risk management is part of the regular training delivered to officers and members. Risk Management responsibility falls within the remit of the Council's Audit and Standards Committee indicating its importance within the context of good governance. The Strategic Risk Register is also to be reported to Cabinet to ensure those agreeing and implementing policy decisions, do so in knowledge of the context of the risks being faced by the Council.

## How we comply with the CIPFA/SOLACE framework

The following sections list the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government.

### **Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council has a Members' Code of Conduct, Planning Code of Conduct and Citizens' Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance. Our Codes of Conduct set out expected standards of conduct and are reviewed regularly and updated as necessary. They include the need for Members to register personal interests and the requirements for employees to register gifts and hospitality, outside commitments and personal interests. The requirements of these codes are included in the induction training to members and employees and both groups are reminded of the requirements.

In 2022 the Council worked closely with other Councils in Leicestershire to prepare a locally amended Code of Conduct for Members. This was adopted by the Council in December 2021 and took effect from April 2022.

The Constitution contains a section on the "Principles of Decision Making", and all decisions should be made in accordance with these principles.

During 2023/24 the Audit and Standards Committee had a pro-active work programme and, where relevant, the Committee received updates from the Monitoring Officer on current issues.

The Council has arrangements for monitoring compliance with the Member Code of Conduct (including gifts and hospitality).

The Officer Register of Gifts and Hospitality received regular checks by the Monitoring Officer whilst checks of the Member Register are also undertaken.

The Statutory Officers bring governance issues to SLT as part of an approved work plan and as appropriate if any other issues arise. The Council's Whistleblowing Policy includes members, contractors, suppliers and service providers and people working in partnership with the council (e.g. volunteers). All reports received under the policy are investigated thoroughly and no reports were received citing the Policy in year.

### **Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function**

The Monitoring Officer was appointed on 10 January 2024 and reports to the Director of Corporate Services (s.151).

The Monitoring Officer is a member of the Senior Leadership Team to ensure effective communication.

Regular meetings between the Chief Executive, s.151 and Monitoring Officer also take place to ensure effective communication between the statutory officers.

The Legal Services Manager is the appointed “Deputy Monitoring Officer” and reports to the Assistant Director for Governance and Democracy. Regular meetings also take place between the Monitoring Officer and Deputy Monitoring Officer.

### **Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function**

The “Head of Paid Service” role is undertaken by the Council’s Chief Executive.

### **Undertaking the core functions of an Audit Committee, as identified in CIPFA’s Audit Committees – Practical Guidance for Local Authorities**

The Council has an established Audit and Standards Committee whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets regularly and receives regular reports from both the Section 151 Officer and the Head of Internal Audit. Arrangements are in place for the Head of Internal Audit to report independently to the Audit and Standards Committee should she feel it appropriate to do so.

### **The Council ensures compliance with established policies, procedures, laws and regulations through various channels.**

Two of the Council’s statutory officers, the Section 151 Officer and the Monitoring Officer, are responsible for ensuring that the Council does not act in an ultra vires manner, supported by the Head of Internal Audit who provides assurance on matters of internal control.

There is an in-house legal team. The Legal team work closely with all teams across the Authority providing risk-based advice.

Directors have accountability within their Directorates to ensure that policies are adhered to and understand that they must notify the statutory officers if they are concerned about compliance within their areas.

The Council has a wide range of Health and Safety responsibilities, reflecting its role as an employer, commercial and residential landlord, and a public body delivering a wide range of services. Health and Safety is taken seriously, and the Council seeks to not only meet its statutory and regulatory requirements, but to enable a culture of continuous learning and improvement. There are a range of mechanisms in place to monitor and ensure oversight in relation to health and safety including:

- Statement of intent signed by both the Leader and Chief Executive – sets out the council's corporate commitment to health and safety;
- Leader of the Council has Health and Safety as part of their Portfolio responsibilities;
- Dedicated health and safety officer, reporting directly to the Director for Housing & Communities (Deputy Chief Executive) who has leadership responsibility for health and safety;
- An annual report on health and safety;
- Regular reviews of specific areas by internal audit and other external regulators.

### **Whistle-blowing and for receiving and investigating complaints from the public**

The Council has in place appropriate whistle blowing policies and procedures which are reviewed regularly and updated where required. The policy was reviewed and refreshed in March 2022 and staff are aware of the Whistle-blowing policy through the Council's intranet.

The Council refreshed and updated its complaints policy in 2024 to ensure compliance with legislation. It has previously decentralised day-to-day responsibility to Service Managers for responding to stage 1 complaints and Directors for stage 2 complaints. Oversight of Corporate complaints remain the responsibility of Service Managers/Directors. Arrangements for reporting complaints statistics to members have also been revised; also highlighting trends and actions taken to address the subject matter concerned. This has enabled members to evaluate issues which require attention.

### **Principle B. Ensuring openness and comprehensive stakeholder engagement**



The Council values openness and comprehensive stakeholder engagement. The Authority has an Engagement Toolkit which is used to guide effective and appropriate consultation.

The Council delivers a full range of services and works in partnership with Leicestershire County Council and many other agencies, including the Health Service, the Police, and the Fire Service.

Some of our key Partnerships which help us to deliver for the residents include:

- Leicester and Leicestershire Local Economic Partnership
- Community Safety Partnership/Safer Melton Partnership
- Leicestershire Waste Partnership
- Melton Business Improvement District (BID)
- Melton Sport and Health Alliance
- Helping People Partnership Board
- Local Advisory Board (UKSPF)
- Green Living Leicestershire
- Levelling Up Fund Executive Board
- Parish Councils
- Community Support Hub
- Leicestershire Rural Partnership
- IT Partnership

There are excellent relations with recognised trade unions on staffing matters.

The Council shares its accommodation with other partner organisations, including Job Centre Plus. This encourages closer working and a more joined up service for customers. The Council engages with a wide set of private sector, business and community stakeholders through Business Improvement District (Melton BID); focussing on encouraging vitality and prosperity in Melton.

Our range of communications policies sets out who we communicate with, and why and how we do it. The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication.

Internally, we communicate with staff via team meetings, the intranet, email and Chief Executive's Briefings for staff. The Authority has "Service Champion" meetings which involves staff representatives from all services in the Council meeting on a bi-monthly basis with the Chief Executive. It also has a formal, regular mechanism of meetings with representatives and officials from the recognised Trade Unions.

Members are communicated to through briefings, development days and a regular members bulletin.

The Council's scrutiny arrangements ensure that key elements are externally scrutinised and involve all sections of the community and stakeholders as necessary.

***Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits***

**Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements**

The Authority participates in a range of joint working arrangements with other bodies. For those that deliver services to our customers there are service level agreements or contracts in place to ensure delivery and to protect reputational risk, but the Council also works with partners on a range of issues without formal arrangements, aiming to influence their activity to maximise the benefits to our area. Should there be corporate risks based on partnership arrangements these will be detailed within the strategic and directorate risk registers.

The Council is particularly mindful of the financial and reputational risks that can arise through entering joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

**Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome**

The Corporate Strategy and our Medium-Term Financial Strategy detail how we have planned all our resources, both financial and staffing to deliver against our priorities. Our corporate management and performance framework has been developed to strengthen the performance of the Authority and the achievement of key objectives and outcomes. Performance is regularly and publicly reported through Cabinet and published to the website.

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

The Authority has a Workforce Strategy, adopted in 2021 that assists in ensuring that the Council maximises the potential of available staffing resources, seeking to recruit, develop and retain the best possible staff to drive the Authority forward. This will be refreshed in 2024 to align to the new Corporate Strategy. The Council has managed to maintain a healthy training budget to assist with staff and member development.

The Council fully supports the requirements to ensure that both members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation; using the Managers Network to support this as well as more specific and dedicated training sessions and coaching.

A comprehensive induction programme exists for both members and officers which was developed to deal with all relevant core issues. The Authority is committed to creating an environment where elected members' skills can develop and thrive with regular courses being delivered and bespoke training needs are identified. Ongoing appraisals are undertaken as part of regular 1 to 1's for all officers, which includes the identification of training and development needs, which are then considered and built into a corporate training programme where appropriate.

The corporate priorities, the streamlining of governance arrangements, a continuing focus on digital and demand reduction are all helping to ensure that capacity is maintained and enhanced. A cultural shift to greater use of influential power should also help to lever in partner resources when looking at how to achieve required outcomes.

### **Enhancing the accountability for service delivery and effectiveness of other public service providers**

The Council is a partner in the Leicestershire, Leicester and Rutland Resilience Partnership (LRP). All Councils at County, District and Borough levels are members of the Partnership to bring together emergency management resources to prepare for and respond to civil emergencies within the Leicester, Leicestershire and Rutland area. For 2023/24 the Assistant Director for Regeneration and UKSPF was the Authority's representative on the LRP Management Board.

The move to a Cabinet model and incorporation of a formal scrutiny function has provided the Council with an additional method of undertaking policy development and holding partner organisations to account.

### **Principle F – Managing risks and performance through robust internal control and strong public management**

The writing of formal reports for Council, Cabinet and Committees follows a prescribed procedure which requires completion of specified content including Statutory Officer checks for legality, budgetary compliance, rationale, and risk. Reasons for all decisions must be given and these are recorded in the minutes. The Member and Officer Codes of Conduct and associated procedures act as a

safeguard against conflicts of interest or bias. The Council maintains a Forward Plan of Key decisions to maximise transparency and consultation.

The Audit and Standards Committee have undertaken the functions of an audit committee as identified by CIPFA guidance. It receives regular reports and presentations from the External Auditor and is independent of Cabinet.

The Council has a customer feedback complaints system, and this information is sent to relevant Directors and used to improve service delivery and customer satisfaction. It is also considered by the Senior Leadership Team quarterly.

The strategic risk register is reviewed by Cabinet bi-annually and more frequently by management. The risks identified have been allocated lead officers that manage each risk. Risk Management also forms a key element of the Directorate Actions Plans and risk management is an integral part of the Authority's performance management arrangements.

The Council is committed to the effective use of IT and has a digital strategy and IT acceptable usage and Security Policy which are currently being reviewed.

**The Council's 2023/24 Treasury Management Strategy was approved by Council** in February 2023, and risks are fully evaluated as part of this strategy.

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

### **Ensuring the Authority's Financial Management Arrangements conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)**

The Director for Corporate Services undertakes the role of Chief Finance Officer and the Council's financial management arrangements continued to conform with good governance.

### **Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of The Head of Internal Audit (2010)**

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Authority's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes. The Head of Internal Audit reports directly to the Audit and Standards Committee on all matters appertaining to audit

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outcomes. The Head of Internal Audit and the Section 151 Officer meet on a bimonthly basis to discuss and review governance and risk matter.

## Review of effectiveness during 2023/2024

The governance framework comprises the systems and processes, culture and values by which the Council is enabled, directed and controlled and through which it accounts to, engages with and leads the community. Part of that framework involves the management of risk. No risk management process can eliminate all risks and can therefore only provide reasonable and not absolute assurance of effectiveness. The Council's approach to risk management is robust and the strategic risk register is monitored by SLT and Audit and Standards biannually.

The framework is further strengthened by the Performance and Risk Management Framework. This framework provides visibility and assurance that there is a robust approach to managing performance and risk and that monitoring of the outputs is used to develop new and existing policies and practices and to identify gaps in service provision that need to be addressed.

The Chartered Institute of Public Finance and Accountancy (CIPFA) published the Financial Management Code (FM Code) in October 2019. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Local authorities were required to apply the requirements of the FM Code fully from 2021/22. Following a self-assessment by the Director for Corporate Services Internal Audit undertook a review in 2020/21. No area of compliance with the code was below Satisfactory with many being Good or Substantial assurance. Where it was considered, there was merit in increasing the assurance rating an action plan was drawn up **and implemented**.

### Internal Audit Conclusion

Based upon the work of the undertaken by Internal Audit during 2023/24, the Head of Internal Audit's overall opinion on the Council's control environment is that Moderate Assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally operating effectively in practice.

Of the internal audit assignments delivered during 2023/24, 100% have resulted in opinions of at least Moderate Assurance for both control design and compliance - which is higher than in previous years.

The Council follows up on all actions arising from audit reports on a monthly basis and provide reports to the Audit and Standards Committee. Where an opinion of limited assurance or major impact is given, a full follow up audit is included in the current year audit plan and findings are included in the next annual report. There have been no such audit reports issued in 2023/24.

All outstanding actions are monitored on a monthly basis and reported regularly to SLT and Audit and Standards Committee.

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At 31st March 2024, 45 (60%) agreed action points coming out of internal audit reviews, which were due for implementation, had been completed during the year. Of the 30 overdue actions, 17 were overdue by more than three months and this has been communicated to the Senior Leadership Team and the Audit and Standards Committee.

This has been a key focus for the Senior Leadership Team and will remain so in the coming month.

## **Senior Leadership Team - Annual Assurance Statements**

At the end of the year annual assurance statements are issued to each member of the Senior Leadership Team to provide assurances on the identification and assessment of risks and that sound operational arrangements exist within their service. Following their return these are considered by the Senior Leadership Team to identify which areas of improvement are appropriate to be included within the Annual Governance Statement.

The conclusion from the review is that the Council has continued to demonstrate that the governance arrangements and framework within which it operates are sound and effective and are consistent with the Local Code of Corporate Governance which is consistent with the principles set out in the CIPFA/SOLACE Framework.

The areas of improvement identified in the last Annual Governance Statement have been addressed in the Table below. Following on, a further table shows the improvement areas identified for 2023/24 which will be administered by Senior Leadership Team on a quarterly basis:



## Previous areas for improvement 2023/2024

### Director of Corporate Services

Improvements	Comments
Financial sustainability - vulnerability from lower reserves than other similar councils, the possibility of borrowing to fund property investments and regen schemes and the future uncertainty of national funding such as business rates and NHB the need to fund any one-off costs of any service reductions. Impact of work on debt recovery and write off of old debts.	This risk remains and an updated risk has been included as an action for 2024/25.

### Director of Housing and Communities

Improvements	Comments
Changes to Housing Regulatory framework	Considerable work has progressed during the year and the council was inspected by the housing Regulator in May 2024 and the finding are still awaited. The Council will need to maintain focus on this area and has ensured audit coverage relevant to monitoring compliance with the regulatory requirements which are now in place, Managing it in this way and with the initial regulatory inspection having taken place, means that does not need to be identified or managed as a new risk.

### Director of Growth and Regeneration

Improvements	Comments
ADP, LUF, UKSPF. The scale and amount of external grant funding with stringent grant conditions, complex partnership arrangements and the resources and governance associated with such large scale projects make this a high risk area for the	The council received a high level of assurance following an internal audit review of the LUF in 2023/24 however due to the level of risk this remains an action during 2024/25.

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<b>Improvements</b>	<b>Comments</b>
Asset Management Plan is work in progress and not finalised due to staff capacity and sickness issues. This means asset repair needs are not informing the MTFS and capital strategy and instead an annual approach is taken to financing needs.	The asset management plan was finalised in 2023/24 and used to inform the budget for 2024/25. The level of resources to support all of the work identified through the underpinning condition surveys is an issue, however that risk is considered to be covered by the financial sustainability action.

**Areas for improvement 2024/2025**

Directorate	Improvement	Owner
Corporate Services	<p>Financial sustainability - vulnerability from lower reserves than other similar councils, the possibility of borrowing to fund property investments and regen schemes and the future uncertainty of national funding such as business rates and NHB, the need to fund any one off costs of any service reductions. Mitigated by the receipts from the business rates pool but ongoing funding an issue.</p> <p>Locating Property Information. The loss of deeds &amp; transaction files in the building fire means we cannot identify statutory powers that land is held under. This creates a risk that certain transactions are not enforceable or void.</p> <p>Whilst the Council has a new Corporate Strategy in place, through the broader, more inclusive and collaborative structures being established, there is a risk that focus becomes more diffuse and priorities less clear creating issues in terms of capacity and resource allocation.</p>	<p>Director of Corporate Services</p> <p>Assistant Director – Governance and Democracy Chief Executive</p>
Growth and Regeneration	<p>Planned maintenance programme for corporate assets is at procurement stage. Risk based prioritisation approach means resources are allocated only to major health and safety risk items, leaving other lower level risks unattended.</p> <p>Appeal of Planning Committee’s decision taken against Officer’s advice. Risk of costs award against Council and high costs of defending appeal regardless of outcome. Potential for government intervention if unacceptable number of adverse findings against Council’s planning decisions.</p>	<p>Director of Growth &amp; Regeneration</p> <p>Director for Growth and Regeneration</p>
Growth and Regeneration	<p>Resources and governance associated with large scale projects. LUF and UKSPF received positive assurance from internal audit. AMP and other property and regen schemes that may emerge such as theatre a concern due to scale and impact on limited resources. The scale and amount of external grant funding with stringent grant conditions and complex partnership arrangements make this a high risk area for the Council</p>	<p>Director for Growth and Regeneration</p>

## Overall opinion and conclusion

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements, in particular by addressing the issues identified in undertaking the annual review. The Authority will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

### **Statement of Leader and Chief Executive**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Chief Executive

Leader