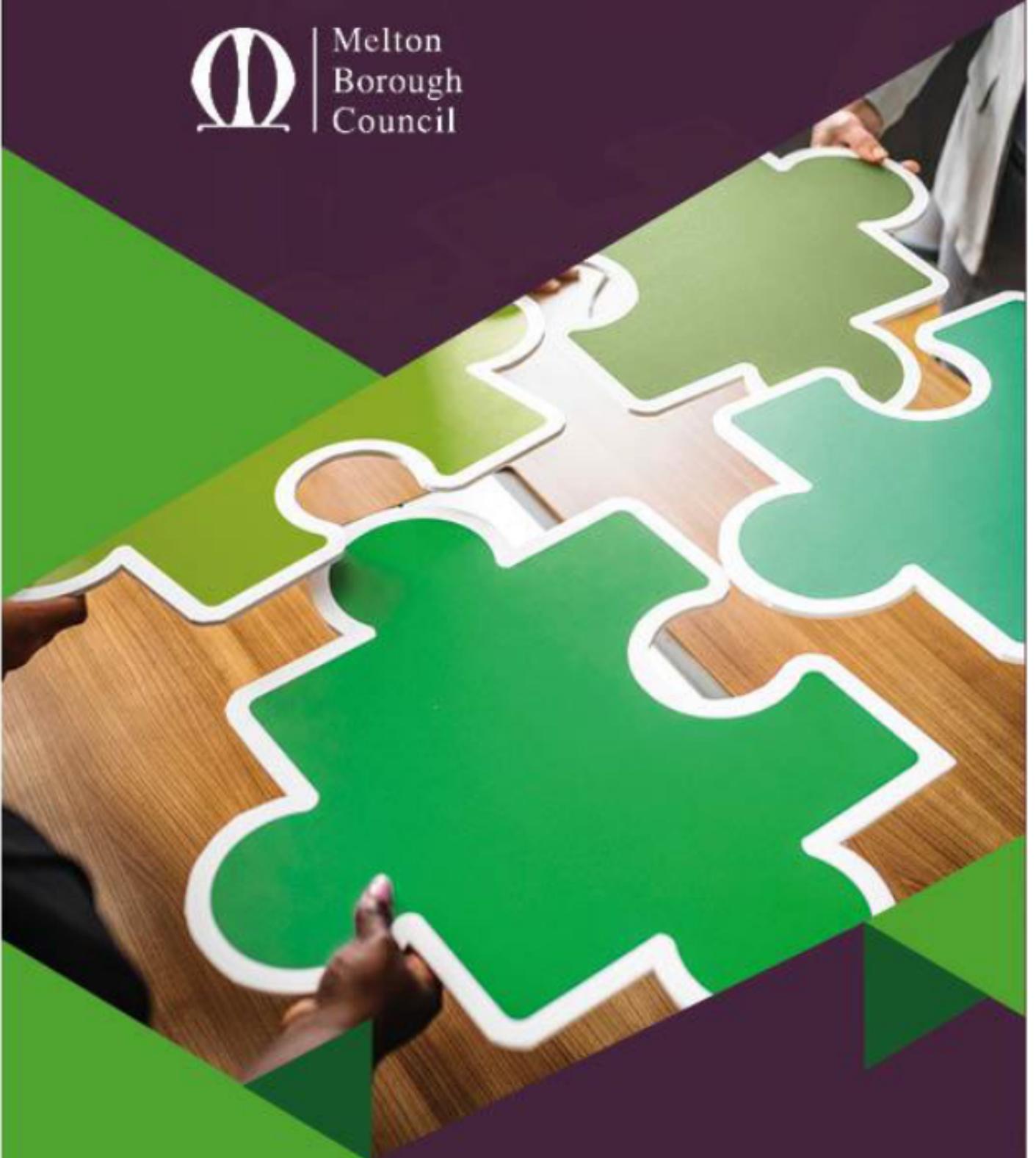




Melton
Borough
Council



ANNUAL GOVERNANCE STATEMENT

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1. 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 the 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 has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/ SOLACE Framework 'Delivering Good Governance in Local Government' 2016. A copy of the Code is available on our website at 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 also 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 2019/20 so the majority of the year has been unaffected by coronavirus and therefore the conclusion on whether or not governance is fit for purpose reflects normal operations. However coronavirus did impact on governance during March 2020 and

therefore a second conclusion has been included at the end of the Statement to reflect the impact of the COVID-19 pandemic on governance.

2. 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 ended 31 March 2020, 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 2020. The new Strategy confirmed the Council's Mission as "Helping People, Shaping Places". The identified priorities support this and are detailed in a series of critical activities which are incorporated into Action Plans managed by relevant Directors as members of the Senior Leadership Team and the Medium Term Financial Strategy. The Council's priorities are shown within three headings; Helping People, Shaping Places and Great Council. Prior to the adoption of the new strategy, the Council had an existing Corporate Delivery Plan in Place 2018-2020.

3. 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 and Scrutiny function. All Cabinet members have been

allocated a specific portfolio and are responsible for driving forward the Council's key strategic aims.

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 2019, and was reviewed throughout the year.

Role of the Council

The extent of the role of Council in reviewing and monitoring effectiveness of internal control is set out in the Council's Constitution. This provides that the Council is responsible for setting the budget and policy framework.

Role of Cabinet and Scrutiny

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

Role of Audit and Standards Committee

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 an important role in maintaining the governance framework.

The Senior Leadership Team "SLT" comprises of the Chief Executive and Directors. The group meet weekly and focus on business as usual, strategic issues, projects and programmes and the health of the organisation.

Service Managers meet monthly to consider operational service issues and ensure compliance with corporate matters such as performance before SLT consider them.

A group called "Melton Leadership Team" brings service and senior managers together, comprising the Chief Executive, Directors and Service Managers. The group meet bi monthly and focus on both the Council's strategic direction and leadership development.

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

Role of Statutory Officers

The Council's statutory officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Director for Governance and Regulatory Services) and Section 151 Officer (Director for Corporate Services) fulfil the statutory duties associated with their roles, including ensuring that the Authority's activities are in accordance with the law and legislative requirements, and that financial budgets are set and monitored regularly.

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 (2016).

The Council formally reviews its Financial Procedure Rules on a regular basis and a review was completed as a part of the Constitutional review in 2019. On-going updates are implemented as part of the regular reviews of the Constitution.

Role of Internal Audit

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 LGSS. 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 2019/20 was considered by the Audit and Standards Committee in July 2020. Internal audit's opinion overall, based on all Internal Audit work during the year is that Satisfactory Assurance can be given over

the adequacy and effectiveness of the Council's control environment for 2019/20. Further details are provided below.

Role of External Audit

The current external auditors are Ernst and Young 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 2020 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 in order 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 will also be reported to Cabinet to ensure those agreeing and implementing policy decisions, do so in the context of the risks being faced by the Council.

4. 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.

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

During 2019/20 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 checking of the Member Register is also undertaken.

The Statutory Officers bring governance issues to SLT as part of an approved work plan and also if there are any other issues as appropriate. The Council's Whistle Blowing 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 one report was received citing the Policy in year. This was investigated and concluded.

Regular training is undertaken to ensure compliance with legislation.

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

The "Monitoring Officer" function is carried out by the Director for Governance and Regulatory Services who reports to the Chief Executive. The Legal and Governance Manager who has responsibility for legal matters and is also the "Deputy Monitoring Officer", reports to the Director for Governance and Regulatory Services.

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 quarterly 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, have responsibility 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 upheld and understand that they must notify the statutory officers if they are concerned about compliance within their areas.

The Council has ongoing GDPR considerations and a programme of works to ensure compliance is continuous.

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 annually and updated where required. Staff are aware of the Whistle Blowing policy through the Council’s intranet. The Council has recently refreshed and updated its complaints procedure and has consolidated resources into an Information Officer role to enable more effective grip and oversight of corporate complaints.

Principle B. Ensuring openness and comprehensive stakeholder engagement

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

The Authority has established partnership working and consultation with a number of different partners and organisations including TFE (tenants forum) and BID (Business Improvement District).

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

The Council shares its accommodation with other partner organisations, including for example, Job Centre Plus, Leicestershire Police, Leicestershire County Council and Citizens Advice Bureau. 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 an established Melton Place Board; focussing on encouraging growth 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 frontline 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 monthly 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 contractual arrangements 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 into 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 publically reported through Cabinet.

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 2018 that assists in ensuring that the Council maximises the potential of available staffing resources, seeking to recruit, develop and retain the best possible staff in order to drive the Authority forward. 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 aforementioned Melton Leadership Team forum 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. An annual appraisal is undertaken 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.

During the year, the senior management structure of the Council was reviewed and a revised structure was approved by Council. This came into fruition at the start of the year and has continued to embed with a new Director for Housing and Communities having been recruited to which will assist with capacity to effectively managed the Councils housing stock.

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 Unitary, 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. The Assistant Director for Strategic Planning and Delivery is the Authority's representative on the LRP Management Board.

The move to a Cabinet model and the incorporation of a formal scrutiny function and committee has further increased the ability of the Council to undertake broader policy development and hold partner organisations to account.

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

The writing of formal reports follows a prescribed procedure which requires the completion of a number of procedural requirements for 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 Authority has a customer feedback complaints system and this information is sent to the relevant Director and is 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 Authority is committed to the effective use of IT and has a digital strategy and IT acceptable usage and Security Policy which are kept under regular review.

The Council's 2018/19 Treasury Management Strategy was approved by Council in February 2018, 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 Authority’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 Authority’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 outcomes. The Head of Internal Audit and the Section 151 Officer meet on a bi monthly basis to discuss and review governance and risk matters.

5. IMPACT OF CORONAVIRUS ON GOVERNANCE

Impact on business as usual in the delivery of services

In March the Council declared a Major Incident and a governance structure consisting of strategic meetings and operational meetings were held regularly in March and at periods, on a daily basis. All meetings were chaired by the Chief Executive and were supported by senior and service managers. All statutory officers were in attendance. In addition, the Council attended meetings facilitated by the Leicester, Leicestershire and Rutland Resilience Forum (LRF) which brought together Local Authorities and other Agencies in the response effort. As is highlighted below, the Internal Audit Plan was impacted by the pandemic and was not completed. This has not impacted upon the Head of Internal Audit’s ability to provide an assurance opinion.

New areas of activity as part of the national response to coronavirus and any governance issues arising

The Authority created a Community Hub which provided essential support to

vulnerable persons within the community. It also started to put processes in place to pay grants to eligible businesses in accordance with Government Guidance. Payments were not made within this financial year though. With regard to both new initiatives, the Authority sought advice from Internal Audit to ensure that it was able to make payments whilst still ensuring that important governance considerations were met. The Senior Leadership Team including the Statutory Officers were appraised of the processes put in place and advised as appropriate. Processes were created using a risk based approach. In addition the Authority identified critical service and took steps to manage resources to continue with “business as usual” as much as possible.

The Authority approves a Calendar of Meetings at the beginning of each municipal year and three scheduled meetings were cancelled in March to ensure the safety of elected members, officers and the public. Meetings within the next financial year will be undertaken remotely in accordance with the Coronavirus Act 2020.

The Head of Paid Services used emergency delegated powers on two occasions and Cabinet Members delegated powers were used more frequently. A decision log was created to ensure that all decisions specifically related to Covid-19 have been captured during the pandemic. Internal Audit agreed checked the register on a monthly basis.

Elected members were regularly briefed on the Authorities response to the pandemic to ensure transparency and Cabinet provided leadership with the Senior Leadership Team.

The funding and logistical consequences of delivering the local government response

The Council was already well prepared for staff to be able to work remotely. The governance structure enabled available staffing resources to be assessed and directed to areas of need in order to respond to the crisis and provide the necessary support to the community. With regard to financial resources the council established a specific cost centre to enable the direct financial costs to be captured and assessed on a regular basis. Alongside this the effect on other areas of the approved budget were also assessed covering both income streams and savings plans. This enabled a clear assessment to be made of the potential financial impact on the Council with regular monitoring put in place. Whilst the council was assured by the Government that all costs would be covered an assessment process was put in place to monitor the financial impact against the available reserves to ensure the Council could cover the financial implications from its own resources should government funding not be provided or was found to be insufficient. Internal audit resources have also been redirected to provide additional assurance over

expenditure and decision making during the response phase.

Assessment of the longer term disruption and consequences arising from the coronavirus pandemic.

As the Council moves from response to the recovery phase of the crisis it will start the process of assessing the impact on its newly approved Corporate Strategy. An assessment will need to be made on any new priorities arising from the crisis alongside any priorities that can no longer be delivered within the resources available. Timescales for delivery will also need to be reviewed accordingly. As part of the financial monitoring the Council will need to assess the residual financial impact that will rest with the Council and need to be met from its own reserves alongside the ongoing and long term impact on the budget already set for 2020/21 and future financial years through a review of the Medium Term Financial Strategy. Depending on the resources available this could result in a prioritisation exercise.

Alongside this assessment the Authority will be looking at how best to deliver its services in the future. A review of a variety of cultural and service delivery options will be examined. This will cover a range of opportunities from how best to use its buildings to reviewing its workforce strategy, digital opportunities as well as building on the improved business and community links that have been established. The aim being to learn from any positive changes that have occurred in the Councils response and adapt accordingly.

6. REVIEW OF EFFECTIVENESS DURING 2019/20

Internal Audit Conclusion

Based upon the work of the undertaken by Internal Audit during 2019/20, the Head of Internal Audit's overall opinion on the Councils control environment is that Satisfactory 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. Due to the Covid-19 pandemic, an approach to the conclusion of incomplete audit work from March 2020 was agreed with the Chief Finance Officer and Chair of the Audit & Standards Committee. Where possible, audits were concluded in full but in one case it was agreed that no further audit work would be conducted however key findings to date would be shared with senior management.

Of the internal audit assignments delivered during 2019/20, four have resulted in an opinion of less than Satisfactory Assurance which is more than in previous years. This should be considered in the context of the Senior Leadership Team requesting

audits into specific areas where they wanted additional assurance and reflects the Authority's desire to be transparent and seek greater internal control where required.

Steps have been taken to address these and ongoing steps will be taken as part of the improvements identified below. In particular a risk score of 'Major' was identified in relation to Landlord Health and Safety but key measures such as a senior management restructure, budgetary improvements and additional governance structures were included within a comprehensive Housing Improvement Plan. The Council is satisfied that these steps will address the need for the improvements that were identified.

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 2020/21 which will be administered by Senior Leadership Team on a quarterly basis;

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Review and strengthen compliance with policies and procedures and legislative requirements for goods, works and services procured by the Council.	Senior Leadership Team	This is still an area for improvement and will therefore continue to be included in internal audit's annual plan for review and an action for 2020/21 Procurement have revised the contract

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
			procedure rules which will be considered and put forward for approval in 2020/21. The procurement toolkit is also being updated to provide greater assistance.
	Continue to improve the links between procurement and legal regarding the instigation of appropriate contracts following procurement	Director for Corporate Services Director for Governance & Regulatory Services	Procurement and Legal Services have been working together to develop guidance for those officers wanting to award contracts which includes both the governance and procurement requirements that must be complied with.
	Review the process for maintaining the Contracts Register	Director for Governance & Regulatory Services Director for Corporate Services	SLT review the Contract Register on a quarterly basis prior to publication. It is also considered by service managers at their 8 weekly meetings. Progress has been made in procuring a system which will automatically generate the Register rather

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
			<p>than relying on manual completion on a spreadsheet although it has not yet been implemented. Procurement inform Legal Services what contracts they have assisted with procuring and would expect to be on the Register which helps with ensuring accurate data is on the Register. Although the Register is the most complete it has been for some years, there is still some work to do to correct legacy issues which have resulted in some contract details not being accessible to those completing the Register.</p>
Principle D : Determining the interventions necessary to optimise the achievement of the intended outcomes	Review Project Management board structure and Framework	Director for Corporate Services	The board structure has been reviewed and a new project management framework adopted. The recent COVID situation has meant the roll out

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
			of this corporately has been affected. This will be prioritised as resources become available.
	Complete a Stock Condition Survey and Asset Management Plan which will include the introduction of a Compliance Framework for all assets which will inform the Capital Strategy and HRA business plan.	Director for Growth and Regeneration	Part of the Housing Improvement Plan. Timescales will need to be reviewed in the context of Covid-19. Recruitment of the vacant posts and IT infrastructure are critical to be in place prior to commencement of this work. This will remain an action for 2020/21
	A compliance framework to be prepared for all Council properties to ensure compliance with health and safety standards and delivery of decent homes standard	Director for Growth and Regeneration	External advice and review of the Corporate Health & Safety Policy is being sought. The Compliance Officer within housing services is in place. The timescales for preparation of the policy framework will need to be reviewed in the context of Covid-19. This will remain an action for 2020/21

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
	Ongoing consideration of how the Council will balance its budget from 2020/21 onwards taking into account, the impact of the spending review and subsequent funding decisions by central Government and the impact this will have on the Council's finances into the future	Director for Corporate Services	Finances continue to be challenging. The Council set a balanced budget for 2020/21 which was positive. However the financial implications of Covid-19 have affected the Council's future financial resilience. Until the full impact and final level of government funding is known it is difficult to assess the impact on the Council's Medium Term Financial Strategy. The deferral of the fair funding review to 2021/22 with unknown proposals relating to a business rates baseline review in 2020/21 is also creating uncertainty. This will remain an action for 2020/21
Core Principle F : Managing risks and performance through robust internal control and strong public financial	Complete outstanding actions identified as part of the Internal Audit Annual Report 2018/19.	Senior Leadership Team	All internal audit recommendations have been tracked regularly to ensure they have been implemented.

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
management			Any remaining issues have been covered by specific actions in 2020/21
Core Principle G : Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Review and strengthen financial awareness to further enable budget holders to effectively manage budgets.	Director for Corporate Services	This continues. Changes in 2019/20 to various council staffing structures need to embed more to see what effect this has had on the position. SLT to maintain focus on this and therefore remains an action in 2020/21
	Review and strengthen decision making awareness throughout the Council including reporting and recording of decisions in line with executive arrangements requirements	Director for Governance & Regulatory Services	Restructure created Democratic Services Team who provide advice on decision making to officers and are proactive in making services aware of legislative requirements. They undertake governance training as part of the induction training for managers when they start new roles with the Council. Training on decision making rolled out to senior and service

AREAS FOR IMPROVEMENT 2019/20			
CIPFA/SOLACE Principle	Improvement	Owner	Comments
			<p>managers. New templates rolled out with practical training which has assisted with understanding on Key Decisions and considerations in making decisions. SLT consider Forward Plan fortnightly and disseminate key messages to services to ensure compliance with executive arrangements. Members received training on executive arrangements and are regularly reminded of how they can access information and requirements to publish decisions.</p>

AREAS FOR IMPROVEMENT 2020/2021		
CIPFA/SOLACE Principle	Improvement	Owner
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Continue to ensure compliance with Contract Procedure Rules and maintenance of contracts register, location of contracts and contract management, compliance with contractor appointment ie IR35	Director for Corporate Services and Director for Governance and Regulatory Services
	Improve contract management governance	Director for Corporate Services
	Data Management- improve proactive checking of compliance with data protection including regular checks on cleansing of data in line with retention schedule and updating of Record of Processing Activity	Director for Governance and Regulatory Services
	Health and Safety- improve corporate oversight across the organisation and review governance to ensure this.	Director for Housing and Communities.
	Complete residual actions within the landlord health and safety programme contained within the HIP programme	Director for Housing and Communities.
Principle D : Determining the interventions necessary to optimise the achievement of the intended outcomes	Review housing policies and procedures to enable better management of the Council's housing stock.	Director for Housing and Communities
	Improve asset management through increase amount of stock condition surveys for corporate assets to better inform the capital strategy, asset management plan and HRA business plan and finances needed. Reduce unplanned spend and maximise the use of assets. Refresh out of date asset	Director for Growth and Regeneration (General Fund) Director for Housing and Communities (HRA)

	<p>policies. Improve compliance with health and safety and other regulatory requirements covering property services.</p>	
	<p>Ongoing consideration of how the Council will balance its budget from 2020/21 onwards taking into account financial resilience due to low level of reserves worsened due to Covid-19, the delay of fair funding review, the impact of the spending review and subsequent funding decisions by central Government and the impact this will have on the Council's finances into the future.</p>	<p>Director for Corporate Services</p>
<p>Core Principle F : Managing risks and performance through robust internal control and strong public financial management</p>	<p>Complete outstanding actions identified as part of the internal audit of Intensive housing Management.</p>	<p>Director for Housing and Communities</p>
	<p>Complete a lessons learnt review in relation to Covid-19</p>	<p>Senior Leadership Team</p>
<p>Core Principle G : Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<p>Enhance knowledge, engagement and skills in service areas to ensure budget spend can be more consistently and accurately reported and commercial aspirations can be progressed.</p>	<p>Director for Corporate Services</p>

7. 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.

Conclusion in relation to COVID-19

The Council is satisfied that appropriate governance arrangements are in place. The Authority continues to use a risk based approach to decision making and monitors progress to ensure good governance. Additional governance measures were created as detailed within the statement during the pandemic. A lessons learnt review will be undertaken in the next financial year and has therefore been included as a governance issue to action throughout the 2020/21.

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

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