

## **HARBOROUGH DISTRICT COUNCIL** **ANNUAL GOVERNANCE STATEMENT 2011/12**

### **1. Scope of responsibility**

Harborough District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 2003 to make arrangements to secure continuous improvement in a 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 in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk. As part of the ongoing process of maintaining and improving those arrangements, the Council's Monitoring Officer has committed to the production of a local code of corporate governance. The new code is to be based upon the guidance provided by CIPFA/SOLACE in "Delivering Good Governance in Local Government" and will consolidate the various elements good practice currently embedded throughout the Council's constitution and other strategies.

This Annual Governance Statement explains how the Council currently complies with the good practice guidance provided by CIPFA/SOLACE and also how we meet the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2011 in relation to the publication of a statement on internal control.

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

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also comprises the activities through which the Council accounts to, engages with and leads the community. The governance framework enables the Council 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 system of internal control is a significant part of the governance 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; 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 described below has been in place at the Council for the year ended 31 March 2012 and up to the date of approval of the statement of accounts.

### **3. The Governance Framework**

The CIPFA/SOLACE guidance makes it clear that the governance framework should include six core principles identified in the 2004 publication “The Good Governance Standard for Public Services” produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute Of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. Note that the CIPFA/SOLACE guidance is due to be updated during 2012.

The Council has adopted a governance framework that follows the CIPFA/SOLACE guidance and identifies where the evidence and responsibility for activities that support the six core principles can be found.

The six core principles are tabulated in the following pages along with examples of evidence to demonstrate how the Council delivers these principles.

<b>Principle 1: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area</b>						
	<b>In order to deliver Principle 1 the Council should:</b>	<b>Evidence to support delivery of Principle 1</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Develop and promote the Council's purpose and vision.	The Constitution is subject to regular review. In February 2011 updates were to contract procedure rules.  The 2011/12 Business plan highlights Council purpose, vision and priorities. The plan also links to local partners and is available to all staff and individuals via the intranet and internet. The Council's website outlines the visions and values of the Council and is available for all individuals to view.	Chief Executive and the Management Board	Constitution review bi-annually		
2	Review on a regular basis the Council's vision for the local area and its impact on the Council's governance arrangements.	2011/12 Business plan highlights Council purpose, vision and priorities. Portfolio Plans contain links to the priorities listed in the Business Plan. Both business plans and portfolio plans are subject to annual review and updating by Officers.  The proposed Local Code of Governance was discussed by the Standards Committee in October 2011 but was not formally adopted at that time as the changes likely to result from the Localism Bill being enacted were not known.	Management Board  Full Council	Portfolio Plans updated annually.  Business Plan reviewed annually	Improvements for the Local Code of Governance have been identified in 2009/10 and are currently in progress.	Table A Action 1  Table B Action 1
3	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.	Audit reviews undertaken in 2010/11 found that the Council had Sound arrangements in place for the administration of Working with the Voluntary and Third Sector. A range of local and cross border partnerships have been established such as: Leicester & Leicestershire Economic Partnership (LLEP) Harborough Improvement Team; Harborough Highways Forum; Community Safety Partnership; Harborough District Leisure Trust. The Council has also established a partnership framework for the delivery of strategic housing functions. To address issues of resources, the Council was instrumental in the establishment of the Welland Partnership: to date this has secured the Council better resourced and more resilient procurement and internal audit services, and a shared Head of Legal Services.	Head of Customer Services		Improvements for the Local Code of Governance have been identified in 2009/10 and are currently in progress.	Table A Actions 2 and 3

<b>Principle 1: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area</b>						
	<b>In order to deliver Principle 1 the Council should:</b>	<b>Evidence to support delivery of Principle 1</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
		Partnership report and policy to be discussed at Executive meeting on 23 January 2012. # A number of shared services are also used to deliver Council services including Procurement – Through the Welland Partnership Internal Audit – Through the Welland Partnership Legal Services – In conjunction with Melton Borough Council Revenues and Benefits – In conjunction with Hinckley & Bosworth Council				
4	Publish an annual report on a timely basis to communicate the Council's activities and achievements, its financial position and performance.	Annual Accounts and Performance reports are produced and reported to Members on a timely basis. The Annual Performance Report is produced in June each year in accordance with the Business Plan and is reported to Executive. The Councils Statement of Accounts is reported by the end of June in accordance with the accounting rules.  Quarterly performance monitoring reports are provided to the Executive and individual Scrutiny Panels on a quarterly basis. Quarterly financial monitoring reports are provided to the Resources Scrutiny Panel. Performance information is available to all members and Officers on the TEN performance management System.	Head of Change Head of Financial Services	Annual and quarterly reporting		
5	Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.	The Council has adopted a range of Performance Indicators to allow performance targets to be defined and performance against targets to be measured objectively.  Performance against set indicators is available on the TEN performance management system and reported to Members periodically.	Management Board	Business Planning work is an ongoing process: Medium Term Financial Strategy is reviewed annually and the Business Plan Process		

<b>Principle 1: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area</b>						
	<b>In order to deliver Principle 1 the Council should:</b>	<b>Evidence to support delivery of Principle 1</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
				and Budget Plan are concluded in February each year for the financial year commencing on 1 <sup>st</sup> April.		
6	Put in place effective arrangements to identify and deal with failure in service delivery.	The Local Government Ombudsman report on Harborough District Council for the year ended 31/03/2011 was available. A total of 12 enquiries and complaints were received during the year. Of these, one was judged to be premature and three were dealt with by giving advice. The remaining eight were sent to the Investigation Team. None resulted in reports and there was no maladministration. #The report for the year ended 31/3/2012 will be available in June 2012 #	Chief Executive			
7	Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	There are no specific Performance Indicators that relate to value for money. However the Council aims to ensure value for money is ensured through: <ul style="list-style-type: none"> <li>• Setting annual budget</li> <li>• Compliance with the Councils' Financial Procedure Rules</li> <li>• Reports to members require authors to consider the impact on communities</li> </ul> <p>The Council has a Carbon Management Plan that outlines how it will aim to reduce greenhouse emissions. This plan was set in 2009 and form part of a longer term 2007-14 plan. More specific Council priorities for 2011/12 with regard to the environment are also stated within the most recent Business Plan.</p>	Deputy Chief Executive			

<b>Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles</b>						
	<b>In order to deliver Principle 2 the Council should:</b>	<b>Evidence to support delivery of Principle 2</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Council's approach towards putting this into practice. Set out a clear statement of the respective roles and responsibilities of other Council members, members generally and senior officers.	The Council's Constitution defines the role and purpose of Councillors (Article 2.03) as including: the promotion of partnership working; harmonising the roles and objectives of partners with the community's needs and aspirations; representing the Council to the community and the community to the Council; maintaining good working relationships with the Council's officers; and contributing to open government and democratic renewal. The Constitution defines the functions of: <ul style="list-style-type: none"> <li>• Full Council (Article 4.02);</li> <li>• The Executive (Article 6.06)</li> <li>• Leader of the Council (Article 6.03);</li> <li>• Executive Committees (Article 6.08)</li> <li>• Executive Advisory Panels (Article 6.10).</li> <li>• Scrutiny Commission and Scrutiny Panels (Article 7);</li> <li>• Standards Committee (Article 9)</li> </ul> The Constitution defines the way in which Planning, Regulatory and Licensing Committees discharge specific statutory functions.				
2	Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation, and ensure that it is monitored and updated when required.	The Council has a scheme of delegation - part three of the Council's Constitution - specifically identifies roles and responsibilities of Members and officers.  Regular meetings take place between the Chairman of the Standards Committee and the Chief Executive.  Also refer to Principle 1 section 1.	Constitution Review Committee			

## Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles

	<b>In order to deliver Principle 2 the Council should:</b>	<b>Evidence to support delivery of Principle 2</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
3	Make a chief executive or equivalent responsible and accountable to the Council for all aspects of operational management.	The Constitution specifies that the Chief Executive and Management Board are responsible for day-to-day management of operational issues for the Council. The Council has an interim Chief Executive performing this function, who is also leading the Transformation Programme. The day-to-day management is delivered by weekly Management Board meetings and regular team meetings. Portfolio holders have regular meetings with relevant Heads of Service to allow cross communication of key operational issues.				
4	Develop arrangements to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.	Arrangements exist to ensure regular monthly meetings between Management Board and Portfolio Holders, and the Deputy Chief Executive meets with the Leader and Deputy Leader on a regular basis to conduct the business of the Council. The Chief Executive meets the Leader of the Council and the Leader of the Opposition at least once each month and in practice such meetings are much more frequent.	Chief Executive and Leader	At change of CE and or election of new Leader		
5	Make a senior officer (the S151 officer) responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.	The Council has a designated Senior Officer (the Deputy Chief Executive) as the S151 Officer who is appropriately qualified and experienced to discharge this function.				
6	Make a senior officer (usually the monitoring officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.	The Council has a designated senior officer (Head of Legal Services) as the Council's Monitoring Officer who is appropriately qualified and experienced to discharge this function.				

<b>Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles</b>						
	<b>In order to deliver Principle 2 the Council should:</b>	<b>Evidence to support delivery of Principle 2</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
7	Develop arrangements to ensure effective communication between Members and Officers in their respective roles.	The Constitution includes the appropriate methods of reporting to ensure communication between Members and Officers. These are the Political Conventions and the Officer/Member Protocol (part 5 (3)). Portfolio and Shadow holders regularly meet with Heads of Service to facilitate effective communication. Routine briefing of Portfolio Holders and Ward Members was developed during 2009/10 in response to improvements in communication that developed as a result of the Lutterworth Allotments issues.				
8	Set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable).	Terms and conditions for staff were agreed following the pay and grading review implemented from 1 <sup>st</sup> April 2010. Members' allowances were reviewed in the 2008/09 following receipt of a report of the independent Welland Members Remuneration Panel. Member allowances were reduced by 2/37 <sup>ths</sup> in 2010/11 and remain unchanged for 2011/12.	Head of Change			
9	Ensure that the Council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.	Business and Portfolio Plans focus on Council's vision: "To put our residents first - maintaining Harborough's position as one of the best-loved UK districts to live, work and visit. To make the best and most effective use of our resources, ensuring efficient services and providing good value." The Council updated its Communication Strategy in August 2011 and developed an Action Plan. It includes reference to face to face contact, use of various media, community fora and Talk-Back – a district wide newsletter.	Management Board	Annual Business Plan published in February or March each year.		
10	When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council. When working in partnership:	Service Level Agreements exist for a number of the main partnerships of the Council including Broughton Astley Improvement Team, Harborough Improvement Team, Voluntary Action South Leicestershire and CAB. The Rural Community Council received funding in 2010/11but not in 2011/12.  The Welland shared services also have formal joint agreements.	Deputy Chief Executive	As partnerships arise	Refer to Principle 1 section 3.	Table A actions 2 and 3



<b>Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles</b>						
	<b>In order to deliver Principle 2 the Council should:</b>	<b>Evidence to support delivery of Principle 2</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
	<ul style="list-style-type: none"> <li>- ensure that there is clarity about the legal status of the partnership</li> <li>- ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions</li> </ul>	#The new Partnership Policy is due to be discussed at Executive meeting 23 January 2012 – see Principle 1 section 3. #				

<b>Principle 3: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour</b>						
	<b>In order to deliver Principle 3 the Council should:</b>	<b>Evidence to support delivery of Principle 3</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect.	Management Board has regular meetings with the Leader, the Leader of the Opposition and relevant Portfolio Holders. Regular meetings are used to cascade information across the Council, including weekly team meetings, 'core briefings', 'Sound Bites' (open invitation to staff to present ideas / questions to the Chief Executive).	Management Board			
2	Ensure that standards of conduct and personal behaviour expected of Members and Officers, and of work between Members and officers and the Council, its partners and the community are defined and communicated through codes of conduct and protocols.	The Constitution contains a Members' Code of Conduct in Constitution (Part 5(1)) consistent with the Local Authorities (Model Code of Conduct) Order 2007 and an Officers' Code of Conduct in Constitution (Part 5(2)) based upon accepted best practice. The two Codes make clear individuals' personal responsibilities for their conduct and standards; for the appropriate and timely declaration of interests; and for registering and dealing appropriately with offers of gifts or hospitality. Council has adopted a Monitoring Officer Protocol (Part 5(6)) that restates the Officer's statutory rights; the Council's obligation to provide the post holder with appropriate resources and support; and the sanctions for breaching the Protocol. Staff are made aware of corporate policies and procedures through Core briefings; in addition policies and procedures can also be accessed by all staff via the intranet.	Monitoring Officer  Standards Committee			
3	Put in place arrangements to ensure that members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholder and put in place appropriate processes to ensure that they continue to operate in practice.	Officer and Member Codes of Conduct, Contract Procedure Rules, and Financial Procedures (as set out in Part 4 of the Constitution) exist to ensure appropriate processes are followed. Whistle-blowing and anti fraud and corruption policies exist and arrangements exist to record any personal interests in the Registers of Gifts & Hospitalities and Register of Interests for both Members and Officers. The Welland Internal Audit Consortium has developed an e-learning tool for counter fraud training which will be made available to all staff in March 2012 as part of the online learning-pool.	Monitoring Officer			Table A Action 3

<b>Principle 3: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour</b>						
	<b>In order to deliver Principle 3 the Council should:</b>	<b>Evidence to support delivery of Principle 3</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
4	Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	Officer and Member Codes of Conduct, Contract Procedure Rules, and Financial Procedures exist to ensure appropriate processes are followed. The procedures are on the Internet and the Intranet. The regular core briefing sessions include a standing agenda item of "policy of the month". Where a new policy has been approved, or an existing one could benefit from profile rising, the core brief sessions are used to raise staff awareness. The induction process also covers key policies.	Monitoring Officer			
5	Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.	Officer and Member Codes of Conduct, Contract Procedure Rules, and Financial Procedures exist to ensure appropriate processes are followed.	Monitoring Officer			
6	Develop and maintain an effective Standards Committee.	The Council's Standards Committee consists of ten members including three independent members and two parish representatives it is chaired by one of the independent members. The role of the Committee is to: <ul style="list-style-type: none"> <li>- promote and maintain high standards of conduct on the part of Members and the Town and Parish Councillors within the District;</li> <li>- monitor the operation of the Members' Code of Conduct and ensure that Members and co-opted Members are appropriately trained in the operation of the Code;</li> <li>- determine complaints relating to member conduct under the local assessment regime.</li> </ul> The Committee has also been given responsibility for oversight of the Whistle-Blowing Policy, complaints handling and Ombudsman investigations. The Standards Committee reports to Full Council.	Monitoring Officer			
7	Use the organisation's shared values to act as a guide for	The Council's Constitution defines its decision making processes and specifies decisions reserved to Full Council.				

<b>Principle 3: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour</b>						
	<b>In order to deliver Principle 3 the Council should:</b>	<b>Evidence to support delivery of Principle 3</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
	decision making and as a basis for developing positive and trusting relationships within the Council.					
8	In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.	A range of individual agreements exist. The Council has recently established a register of all partnerships and devised a Partnership Policy which is due to be discussed/approved at the Executive meeting 23 January 2012 #	Head of Customer Services		Refer to Principle 1 section 3.	

<b>Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>						
	<b>In order to deliver Principle 4 the Council should:</b>	<b>Evidence to support delivery of Principle 4</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and that of any organisation for which it is responsible.	Decision making processes are included in the Constitution Part 2 Article 13, and are clearly mapped out in the Council's Constitution (Article 8). The Policy Framework (Article 4.03) within the Constitution provides a structured context for decision making.  The work of the Scrutiny Panels is defined in Article 7, where its authority to 'call in' decisions of the Executive and to question Portfolio Holders and Members of Management Board is acknowledged. All reports to Members are scrutinised and endorsed by the Management Board.	Management Board			
2	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	Standard templates are used for agendas, committee reports and recording decisions in meeting minutes. Reasons for making the recommendations are included in the reports. The Constitution contains Information Procedure Rules (Part 4(2)) that comply with the Access to Information Regulations 2000. Clear criteria exist to establish which reports are considered in private (exempt items). Minutes, reports and agendas for all items that are not exempt are available on the Council's website or in hard copy on request.  New and returning Members attend an Induction Programme which covers the services provided by the Council; respective roles of Members and Officers, the Committee structure; decision making processes; Standards for Members and the Members' Code of Conduct. This training should equip Members to effectively discharge their decision making and scrutiny roles. The detail of member training is provided on the Council's website under training history of individual councillors.				
3	Put in place arrangements to safeguard members and	Codes of conduct exist for both Members and employees. It is recognised that progress needs to be made to raise employee awareness of the Code. Registers of Interest are maintained by	Monitoring Officer			

<b>Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>						
	<b>In order to deliver Principle 4 the Council should:</b>	<b>Evidence to support delivery of Principle 4</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
	employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.	the Monitoring Officer.  Codes of conduct exist for both Members and employees. In addition the Council also has a Whistle blowing policy that staff can use to raise concerns where necessary.				
4	Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.	On the 14 <sup>th</sup> December 2009 Executive agreed to establish an independent Audit Committee. A proposal was taken to the Constitution Review Committee on the 22 <sup>nd</sup> March 2010. The terms of Reference for the new Governance & Audit Committee and the first meeting was held on 24 <sup>th</sup> June 2010. Meetings are held approximately quarterly and are scheduled to fit around other key dates such as approval of the audited accounts. The Constitution clearly defines the purpose, membership and functions of the Committee.	Deputy Chief Executive as s151 Officer  Monitoring Officer  Governance and Audit Committee			
5	Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.	The Council has a Complaints Procedure and a Customer Services Standard that is applied to all services. The Council's Customer Service standards are included in the team plans that feed into the Portfolio Plans. The Complaints procedure was reviewed and updated in August 2011. The Council also has a conduct and complaints procedure specifically for dealing with issues relating to Members.  In 2010/11 the Council 103 Stage 1 complaints, 88 of which have been resolved the remaining 15 are under review. #(awaiting figures for 11/12) #	Head of Customer Services and Head of Legal			

<b>Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>						
	<b>In order to deliver Principle 4 the Council should:</b>	<b>Evidence to support delivery of Principle 4</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
6	Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.	See section 2 for reference to Members' Induction process. Standard report templates are used for all reporting to Members. There is evidence that Members serving on the Scrutiny Panel of the Council provide officers with direct feedback on the adequacy of reports in terms of the relevance timeliness, accuracy and completeness of reports.  Ad hoc presentations and /or reports are made as and when necessary to bring to the attention of the elected members and staff any new developments, initiatives or legislation.				
7	Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.	The standard reporting templates include sections for reporting any legal and financial implications of the report or required decisions. The Reports Checklist also prompts the report author to gain approval from appropriate officers on financial, legal, HR, equalities and other issues before the report is submitted to Management Board for approval.				
8	Ensure that risk management is embedded to the culture of the Council, with Members and managers at all levels recognising that risk management is part of their jobs.	The Council revised its Risk Management Strategy in December 2009 and has established a Corporate Risk Register. The Management Board has reviewed the risk register periodically throughout the year and also taken steps to highlight risk management to all staff through core briefings. The Council was most recently assessed to be 'risk defined' in The progress with further embedding risk management will be subject to review by the Welland Internal Audit Consortium in future years.	Management Board			
9	Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access.	The Whistle-blowing policy was been updated during 2009/10 and is referred to in the Constitution review. The Whistle blowing policy has been reviewed and approved by the Standards Committee and the Constitution Review Working Group. This policy can be accessed by all staff and Members via the intranet.	Monitoring Officer			

<b>Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>						
	<b>In order to deliver Principle 4 the Council should:</b>	<b>Evidence to support delivery of Principle 4</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
10	Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.	Legal implications are included in the Committee report template and the Monitoring Officer is required to sign off to ensure that any recommendations are within the legal powers of the Council. The Monitoring Officer is responsible for ensuring actions by the Council are within the law and that powers are used for the benefit of the community.	Monitoring Officer			
11	Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law.					
12	Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes.					



<b>Principle 5: Developing the capacity and capability of Members and Officers to be effective</b>						
	<b>In order to deliver Principle 5 the Council should:</b>	<b>Evidence to support delivery of Principle 5</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	<p>Member induction is referred to in section 2 under Principle 4. The Members Development Group identifies training needs and oversees the effective training of Members.</p> <p>The Council has an employee induction process whereby line management and HR share responsibilities for providing individuals with appropriate information for them to perform their job. Probationary reviews are used to confirm capabilities of new employees.</p> <p>The Learning &amp; Development Policy makes provision for ongoing training needs as identified through the Appraisal Scheme plus financial support for professional training where appropriate. The IT based tool –the 'learning pool' is available to all staff and Members and is populated with a range of training products.</p>	HR Manager & Head of Change			
2	Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.	The Constitution defines the statutory roles for the Monitoring Officer, Section 151 Officer and the Head of Paid Service. Detailed job descriptions exist for each post, outlining the skills required to fill the post. All current post holders have the required professional qualifications to discharge their duties.	Human Resources Manager			
3	Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.	The Appraisal forms were updated in 2011 and are designed to continue to assist in aligning the performance and development of individual employees to the Council's Corporate Objectives. The Appraisal scheme is used to identify training needs which is then monitored and addressed by HR.	Head of Change			
4	Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.	The Council has an annual development programme for Members that cover a range of relevant areas. All new Members also are subject to a structured induction process.	Principal Democratic Officer			

<b>Principle 5: Developing the capacity and capability of Members and Officers to be effective</b>						
	<b>In order to deliver Principle 5 the Council should:</b>	<b>Evidence to support delivery of Principle 5</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
5	Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.	The Council has made appropriate arrangements to report and monitor performance on a regular basis. A performance management system, TEN is used to capture and monitor performance data; and both relevant employees and Members have received the appropriate training for this system. The Executive and Scrutiny Panel – Resource Development have played a key role in monitoring the performance reports provided to them by the Officer Champion on a quarterly basis.	Head of Change			
6	Ensure that effective arrangements designed encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council.	The Scrutiny Panel – People has agreed for the current single Communication and Consultation Strategy to be separated into specific Communication and Consultation Strategies. The Communication Strategy was approved by Executive 15 August 2011. The Council has undertaken an access survey to identify how individuals contact the Council and their preferred method of communication with the Council – these responses will inform the Communication Strategy.  The Council has established and supports the Citizens' Panel to provide more effective engagement. The Sustainable Community Strategy has been developed with the Local Strategic Partnership, Parish Liaison Meetings have been developed and the Terms of Reference for the Sustainable Communities Task Panel has been established.	Head of Customer Services and the Communication & Consultation Manager			
7	Ensure that career structures are in place for members and officers to encourage participation and development.	During 2008/09 a workforce development project was been undertaken and the recruitment of a new HR Manager and a Learning and Development Policy was established in March 2010. The Council has been using competency frameworks for appraisals during 2011/12 using the standard template. The Council has provided Members with the opportunity to undertake relevant training. New Members also receive a structured induction.  Also See Principle 5 Section1.	HR Manager			

<b>Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability</b>						
	<b>In order to deliver Principle 6 the Council should:</b>	<b>Evidence to support delivery of Principle 6</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
1	Make clear to themselves, all staff and the community to whom they are accountable and for what. Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required.	The Constitution sets out the rights of local citizens and the ways in which they may engage with the work of the Council. It also specifies the information available to citizens or other entities seeking to hold the Council to account for its decisions or for its performance. Specific provision is made for public engagement through community forums.  The website is used as an interface to inform and empower local people through access to information. The Freedom of Information publication scheme can also be used to access information.				
2	Produce an annual report on the activity of the scrutiny function.	The Chair of the Scrutiny Commission prepares a half-yearly and an annual report of the year's work and includes a work programme for the forthcoming year. The report is presented to Full Council. In addition the three Scrutiny Panels (People, Places and Resources) receive regular performance reports.	Chair of Scrutiny Commission in conjunction with the Chairs' of the Scrutiny Panels'.	Annual Report		
3	Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively. Hold meetings in public unless there are good reasons for confidentiality. Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.	Parish Liaison Meetings have been developed. The Citizens' Panel and the community forums (previously known as 'Have Your Say') provide opportunities for local engagement. The Council accepts petitions from local people in accordance with formal guidelines and provides 10 minutes at the start of Full Council meetings for members of the public to ask questions. The Council's new website is intended to have more interactive features for the public to engage and transact with the Council.  Documents provided to stakeholders are in various formats, and can be made available in different languages, large print and Braille on request. A variety of media is also used to engage with stakeholders, including local press; internet and all meetings are open to the public except for items exempt under the LG Act 1972.				

<b>Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability</b>						
	<b>In order to deliver Principle 6 the Council should:</b>	<b>Evidence to support delivery of Principle 6</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
4	Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.	The Council has recently updated its Consultation Strategy and it was approved by Executive 15 August 2011. It includes details of how the council will consult and engage with its stakeholders and a methodology for providing feedback.	Communication & Consultation Manager	Approved 15 August 2011, covers 2011-2014		
5	On an annual basis, publish a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	The Council prepares and publishes a Business Plan on an annual basis. The plan for 2011/12 was published in March 2011 and is available on the internet and intranet. It includes the Council's vision and corporate priorities. The Medium Term Financial Strategy is also produced to demonstrate how the Council intends to manage and balance its budget over a four year period. The Annual Performance Report is produced in June each year in accordance with the Business Plan and is reported to Executive. The Councils Statement of Accounts is reported by the end of June in accordance with the accounting rules.				
6	Ensure that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.	Community accessibility to the Council is being developed through the establishment of Improvement Teams across the district. The Council's website is also being further developed to improve accessibility. To provide accountability to and by the member authorities of the Welland Partnership, the Welland Executive Panel has been constituted as a joint Member body with authority to take decisions requiring ratification by the Executives of the member authorities. The Welland Joint Committee has decision making powers. The Council has two Members on each of these bodies. The Welland Chief Executives Group advises the WEP and the WJC as well as monitoring the work within the various Welland partnerships.				

<b>Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability</b>						
	<b>In order to deliver Principle 6 the Council should:</b>	<b>Evidence to support delivery of Principle 6</b>	<b>Responsibility for monitoring and reviewing (where applicable)</b>	<b>Timescales</b>	<b>Areas for Improvement</b>	<b>Action Plan Ref</b>
7	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	The Council has regular 'all staff briefings' which have a theme on specific topical issues and are used to promote corporate policies and keep staff informed of issues affecting the Council. Core briefings and Employee Relations meetings are also used to inform and consult with staff. A staff suggestion scheme is also in operation.				

## **4. Review of Effectiveness**

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 main sources of evidence that have been relied upon by the Council in that review are identified in the table above for each Principle, and in the following sections of the Annual Governance Statement.

### **The Council's Management Board**

The Constitution specifies that The Chief Executive, Deputy Chief Executive and Heads of Service - who form the Management Board - are responsible for the day-to-day management of operational issues for the Council: this encompasses the maintenance of an appropriate framework of internal control. The Council's Risk Management Strategy requires that the responsibility for each material risks is allocated to a specific Manager. Each member of the Management Board was required to certify a "Statement of Corporate Responsibilities" confirming that, within their areas of responsibility: key controls are in place and operating as designed; resources are applied in an efficient, effective and economic manner to support the delivery of the Council's Corporate Objectives through a robust service planning process; that risks are appropriately managed and/or mitigated; that, in decision making, there is proper regard for Corporate Objectives and Priorities, and financial, legal and other relevant considerations; and the accuracy of financial records. #All Heads of Service completed and returned their Statements of Corporate Responsibilities. The completed Statements did not identify any significant exceptions to the assurance provided. To be received #

Management Board reviewed the draft AGS produced by the Audit Manager. The initial draft of the AGS was presented to the Governance and Audit Committee in sufficient time to facilitate appropriate scrutiny and ownership of the document prior to its inclusion in the draft Annual Statement of Accounts by June 2012.

### **The Standards Committee**

The core roles of the Committee are: to promote and monitor standards of behaviour both of Members and of Town Councillors and Parish Councillors across the District which since May 2008 has included dealing with complaints about Members and Town and Parish Councillors under the new local assessment regime. To monitor the operation of the Code of Conduct; to oversee the Whistle-Blowing Protocol; the process of complaints handling; and to deal with reports of external bodies on issues of probity. During 2011/12 the Committee: assessed the Localism Bill and the potential implications of its enactment, consulted about the implementation of a Local Code of Governance and received the Annual Report for 2010-2011.

Significant changes to the structure of committees may result from the Localism Act and the changes to external audit appointment.

### **The Scrutiny Commission**

The Constitution requires that the Scrutiny Commission reports annually to Full Council on its activities and performance over the year. The Scrutiny commission is made up of three Panels, Resources, People and Places. Each Scrutiny Panel Chair produces a report of their Panel's activities at the end of the year.

The Chair of the Commission produces an overview of the activities of the three Panels. A wide range of issues were considered by the Panels in the first half of the year, some examples follow.

The Scrutiny Panel – People considered a number of areas in 2011/12 (up until Oct 2011 included so far #) including; Communication Strategy, Publishing Local Authority spending, Performance Management Strategy, Freedom of Information and Data Protection, Leisure Centre Options and the Sensitive Issues Procedure. The Panel also received half-yearly and annual performance reports from portfolio holders.

The Scrutiny Panel – Places considered a number of areas in 2011/12 (up until Oct 2011 included so far #) including; Housing Infrastructure, Change Management and the Waste and Recycling Services. The Panel also received regular performance reports.

The Scrutiny Panel – Resources considered a number of areas in 2011/12 (up until Oct 2011 included so far #) including; Financial (Capital and Revenue) monitoring reports, Corporate Debt Analysis, and property assets. The Panel also received regular performance reports.  
(Update the considerations for second half of 11/12)

### **The Governance and Audit Committee**

The Governance and Audit Committee is responsible for considering the Strategic and Annual Internal Audit Plans produced by the Head of the Welland Internal Audit Consortium and the Audit Manager and for reviewing and challenging, on a quarterly basis, the performance of the Consortium measured against those Plans and a range of performance indicators. The Panel also monitored the progress of the Council in implementing audit recommendations.

In 2011/12 a report to Council recommended that the recruitment and appointment of independent Members to the Governance and Audit Committee not be undertaken. This will be reconsidered once the Government has published the arrangements for audit of local public bodies following the abolition of the Audit Commission and will reflect any implications of the Localism Act.

### **Internal Audit**

The Welland Internal Audit Consortium delivers the Council's internal audit function and is responsible for the objective review of the Council's internal control, risk management and governance arrangements and to provide assurance on the effectiveness of management's arrangements to mitigate the risks associated with the delivery of the Council's services.

The Consortium operates in accordance with the CIPFA Code of Practice for Internal Audit. The Council can place reliance on the Internal Audit Opinion issued by the Head of Consortium.

The Internal Audit Opinion for 2011/12 was that:

The Council's overall internal control arrangements provide a **Sound Level of Assurance**. This represents the second highest of the five levels of assurance within the model adopted by Consortium. This is the same level of assurance as provided in 2010/11.

A "Sound" assurance rating indicates that the control environment can be relied upon although some risks were identified during the year for which mitigations have been recommended. Progress on the implementation of agreed audit recommendations is reported to the "Audit Committee" on a quarterly basis. The Council's Management Board monitors the progress of responses to, and implementation of, audit recommendations on a monthly basis.

## **External Audit**

The Council's external auditor – the Audit Commission – has a responsibility to provide an Opinion on the Council's Accounts and Financial Statements. An Unqualified (satisfactory) Opinion was issued for the year ending 31<sup>st</sup> March 2011 in October 2011. The Audit Commission also issued the Annual Audit and Letter in October 2011 confirming that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The Audit Commission identified that improvements could be made over risk management and internal control arrangements at the Council. Risk Management arrangements have been subject to regular review by Management Board, in addition internal control arrangements are subject to regular review by Internal Audit.

## **Section 151 Officer and Monitoring Officer**

The Deputy Chief Executive is the Council's Section 151 Officer with a statutory and constitutional responsibility to ensure the proper administration of the Council's financial affairs and ensure the lawfulness and financial prudence of decision making. The Section 151 Officer has a statutory duty to report on unlawful expenditure: **no such report was made in 2011/12#.**

The Head of Legal Services is the Council's Monitoring Officer with a statutory and constitutional responsibility to ensure the legality of activities and transaction and a statutory duty to report on unlawful activities or transactions: **no such report was made in 2011/12#.**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## **5. Significant Governance Issues**

The Council has considered the outcomes of the risk management and assurance processes referred to in this Governance Statement. Where considered appropriate, actions plans have been developed to address weaknesses.

Table A includes the Action Plan of the areas for improvement identified in the AGS for 2009/10. No additional recommendations were made in 2010/11. Table B includes new actions for 2011/12.

**Table A**

	<b>2009/10 Recommendation</b>	<b>Responsible Officer</b>	<b>Implementation date</b>	<b>Progress as at April 2011</b>
<b>1</b>	Local code of Governance has been drafted and will form part of the work plan of the Standards Committee for July 2010	Head of Legal Services	June 2011  Revised to June 2012	The Local Code of Governance was considered by Standards Board on 3 October 2011. It was not adopted at that time as the Localism Bill was due to be enacted and it was considered inappropriate to adopt a code that may need to be changed as a result of the Localism Bill. This will now be revisited and a code adopted in line with guidance.



<b>2</b>	Development of a Partnership Register and a formal Partnership Strategy or Protocol.	Head of Customer Services	June 2011 Revised to January 2012	The Partnership Register and Policy is due for consideration on 23 January 2012.
<b>3</b>	Limited awareness of the policies is addressed through recommendation in the Internal Audit Report for Counter-Fraud Arrangements	Deputy Chief Executive	June 2011 Revised to March 2012	The training material developed by Internal Audit for all staff in relation to counter-fraud arrangements is due to be available on the learning pool in March 2012.

**Table B**

	<b>2011/12 Recommendation</b>	<b>Responsible Officer</b>	<b>Implementation date</b>	<b>Progress as at June 2012</b>
<b>1</b>	The Council takes careful consideration of the Localism Act and its implications to ensure that the established good governance is maintained, even where statutory obligations for particular named committees no longer exist.	Head of Legal Services	June 2012	

We propose over the coming year to take steps to address the above matters to further enhance our corporate governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Signed:

Date:

Date:

Anna Graves  
Interim Chief Executive

Cllr Michael Rook  
Leader of the Council