

Report of the Chief Executive and the Interim Deputy Chief Executive

CORPORATE GOVERNANCE ARRANGEMENTS1. Purpose of report

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval for the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2017/18.

2. Background

The preparation of an Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2015. The Regulations require authorities to conduct a review, at least once in each financial year, of the effectiveness of its system of internal control and to include a statement reporting on the review with its statement of accounts. To support this process the Council follows proper practice as set out in the CIPFA/SOLACE publication *Delivering Good Governance in Local Government: Framework*. This Framework was initially produced in 2007 with a revised version published in April 2016. More detail about the framework and what it encompasses is given in appendix 1.

Under the Council's Constitution, this Committee is responsible for overseeing the maintenance of the internal control environment and for monitoring and making recommendations regarding the corporate governance arrangements. Appendix 2 sets out the actions the Council has taken during 2017/18 to advance the principles of the Code.

Appendix 3 starts with an explanation of the Council's governance arrangements, and goes on to give an update on implementation of the previous years identified governance improvement actions. It concludes with the draft Annual Governance Statement which is a plan showing the proposed actions to be taken in 2018/19. Once approved, it will be signed by the Leader of the Council and the Chief Executive prior to inclusion within the published accounts. The Chief Audit and Control Officer has confirmed that he considers that the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework.

Recommendation

The Committee is asked to:

- 1. NOTE compliance with the Code on Delivering Good Governance in Local Government.**
- 2. RESOLVE that the draft Annual Governance Statement as shown in appendix 3 be approved in principle for inclusion in the Council's Statement of Accounts.**
- 3. DELEGATE responsibility to the Interim Deputy Chief Executive and the Chair of this Committee to make any further amendments deemed necessary.**

Background papers

Nil

Background

The CIPFA/SOLACE document *Delivering Good Governance in Local Government: Framework* was published in 2007. In 2012 it was given 'proper practices' status by the Department for Communities and Local Government. Local authorities are under a statutory obligation to follow the published approach unless there are valid reasons for not doing so.

The Framework has since been reviewed and in April 2016 was published with a new set of core principles and sub-principles. There are seven core principles which have been developed to bring them more in line with the principles of open government and to establish a greater focus on outcomes, rather than processes. Each is accompanied by numerous sub-principles which provide a very comprehensive set of arrangements for ensuring that good governance exists within the organisation and is embedded in its day-to-day operations.

The seven core principles and an explanation of the intention behind each one are as follows:

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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good. Organisations should therefore ensure openness in their activities.

Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

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

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable.

Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

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

Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved.

They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.

Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods.

A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

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

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.

Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically; it requires repeated public commitment from those in authority.

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

The Council's governance arrangements are consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016 edition)*. This Statement explains how the Council has complied with these arrangements and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an Annual Governance Statement.

A summary of how we meet with each of the seven core principles, including evidence of the principle in action, and where improvement action or new steps have been taken in 2017/18 is provided below:

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
Member and officer Codes of Conduct set standards of behaviour for officers and members. These require adherence to the Nolan Principles. The Council's values are consistent with the Nolan Principles and are embodied in its Corporate Plan.	Officer Code of Conduct Member Code of Conduct Corporate Values A new officer Code of Conduct was developed and approved by the Local Joint Consultative Committee on 7 December 2017 and then Policy and Performance Committee on 6 February 2018.
The Constitution contains a protocol for member and officer relationships.	An external investigation was commissioned by the Policy and Performance Committee to look into integrity concerns relating to officer conduct (16 November 2016). Following the external investigation an Ad Hoc Committee was set up to consider further action following the external investigation. External investigation minute Ad Hoc Committee
The Council collects data relating to its workforce and reviews this through the annual workforce profile to identify any inequity unfairness or prejudice through recruitment procedures or the operation of any other HR practices.	The Workforce Profile (the latest completed profile 2016/17) was reviewed by the General Management Team. As required by law Broxtowe published information regarding this gender pay gap. Broxtowe Gender Pay Gap
The Council holds members to account for their behaviour by addressing allegations of breaches of the member code of conduct An independent person has	11 Code of Conduct complaints against members were dealt with. None involved allegations of fraud or corruption.

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
been appointed to deal with standards issues that arise.	
<p>The Complaints procedure. Complaints present an opportunity for improvement and can identify systemic or behavioural failings which need to be addressed</p>	<p>Complaints Policy Annual complaints report to Governance Audit and Standards Committee Annual complaints report for 2016/17 The report provides details, in particular, of those complaints that are referred to the Ombudsman. Any complaints where a financial settlement is appropriate, or has been made, are also reported in detail to this Committee. Through its performance monitoring oversight the Finance and Resources Committee required improvement in speed of acknowledgement of complaints and requested regular reports Example Complaints report to Finance and Resources Committee Through its annual equality and diversity report to Policy Committee, members review whether there may be any inequality or unfairness indicated apparent through the protected characteristics of complaints. Equality and Diversity Annual Report 2017/18</p>
<p>The Council holds employees to account in respect of their conduct and behaviour. The number of disciplinary , grievance and whistleblowing complaints dealt with is set out in the annual workforce profile</p>	<p>Whistleblowing Policy and Disciplinary Policy, Policy and Performance Committee 21 November 2017 Grievance Policy, Bullying and Harassment Policy, Personal Relationships Policy and Stress Management Policy - Policy and Performance Committee 3 October 2017 Protocol for handling anonymous communications Recommendations for improvement arising from the external investigation were implemented including introduction of the following new policies:</p> <ul style="list-style-type: none"> • Revised Whistleblowing Policy • Revised Disciplinary Policy • Revised Grievance Policy • Revised Bullying and Harassment Policy • Personal Relationships Policy • Stress Management Policy • Protocol for handling anonymous communications <p>Changes were also made to the</p> <ul style="list-style-type: none"> • Evaluation and Re-evaluation of Posts Policy • Alcohol and Drugs Misuse Policy • Compassionate Leave and Flexi-Time Policies. • The Clean Air Environment Policy was replaced by the Smoke Free Site Policy

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
	<ul style="list-style-type: none"> The Personal Use of Social Media was introduced An amendment was made to Financial Regulation 14.4 to allow delegated authority over lettings, negotiations and settlement of leases within the Beeston Square up to the value of £100,000
	Core Abilities Framework/Personal Appraisal system A new online employee personal appraisal and action planning system based on the Council's values was introduced. This resulted in a much higher completion rate of appraisals during the course of the year

Opportunities for further improvement

1. It is intended to further communicate, embed and reinforce the Council's values and ethical standards through conducting ethical workshops for employees in 2018/19.
2. The Council has developed an online training module for the new Code of Conduct which will be introduced during 2018/19 and be a requirement for every employee to complete.
3. An area for improvement is the extent to which the Council monitors the ethical standards demonstrated by external providers of services. A new Procurement and Contracts Officer will lead efforts to improve this in 2018/19.

B. Ensuring openness and comprehensive stakeholder engagement

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The Council has a variety of means through which it seeks to engage and inform employees. Mechanisms include section team meetings, senior management meetings, email bulletins and the internal communications group. There are also internal working groups on which there is cross departmental representation	Monthly Team Briefings Equality Working Group Broxtowe Employee News bulletin New Ways of Working Group Started a New Ways of Working Project Group and an NWOW "Champions" group comprising employees throughout the Authority. Conducted an employee survey on "new ways of working" Developed a new more user friendly email bulletin for employees
The Council communicates with its residents through a newsletter which is published	Broxtowe Matters Annual Report The Council informed residents about how we spent their money in 2016/17 in the September edition of

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
<p>twice a year and goes to every household.</p> <p>The Council has continued to grow its digital presence over the past year, with new followers to social media increasing month on month and the Email Me Service reaching 16,000 subscribers. Work to develop these channels to maximise channel shift is ongoing</p>	<p>Broxtowe Matters</p> <p>Broxtowe Matters was redesigned to ensure it is attractive to read for residents. Arrangements with an external company to source advertising revenue has helped to cover the cost, as well as helping to promote local services and businesses.</p> <p>The Council also kept residents updated on the progress being made in implementing our Corporate Plan objectives through a summary made available on our website and through Broxtowe Matters.</p> <p>Since 2013, the number of online transactions has been greater than contacts via the telephone or in person and are expected to reach approximately 300,000 this year.</p> <p>Communication to residents: Corporate plan progress</p>
Residents are regularly updated on new consultations through our website as well as press releases	Consultation and Engagement website link
Regular tenant led Service review groups for Housing services.	<p>Examples of Housing service review reports</p> <p>Tenant led reviews which reported during the year resulted in improvement to the Housing Repairs system suggested by tenants and the proposal for a tenants reward scheme, approved by Housing Committee at the end of 2017/18.</p>
Tenant engagement in significant reviews of Housing service delivery.	<p>Significant consultations involving tenants included a review of our tenure policy through the Residents' Involvement Group; allocations policy and secure tenancy agreement.</p> <p>Tenure Policy Consultation - November 2017</p> <p>Allocations review consultation</p> <p>New Secure Tenancy Consultation - Housing Committee 2018</p>
Engagement in relation to new strategy	Play Strategy (see end of document for consultation responses) The Council engaged extensively with children including children with disabilities, when developing its new Play Strategy in 2017/18 which was approved in September 2017
The Council encourages engagement annually on its expenditure through its annual budget survey	<p>Budget consultation for budget 2018/19 report to Finance and Resources Committee February 2018</p> <p>579 residents responded to the budget consultation as reported to Finance and Resources Committee in February 2018. In overall terms, local people are satisfied with the Borough of Broxtowe and the Council's management of it. 74% of people are 'satisfied' or 'very satisfied' with the area in which</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
	they live, while 64% are 'satisfied' or 'very satisfied' with the way that the Council delivers services.
Disability Forum	Equality and Diversity Annual Report for 2017/18 Examples of engagement with and the influence of the Disability Forum in 2017/18 on the Council's policy development and service delivery are included in the annual Equality and Diversity Report
Broxtowe Youth Voice has appointed a Youth Mayor and Deputy. The Council's constitution provides for these individuals to participate in Council meetings (but not vote). This ensures the voice of young people is heard by members.	The Youth Mayor regularly participated in Council meetings during 2017/18 Council Minute 30 November 2017
Community Action Teams – The Council organises regular meetings with the local community in localities which are chaired by ward councillors. This is a means by which councillors keep in touch with local people and identify action which needs to be taken which they feed back to officers or committees	CAT meeting schedule and minutes
The Local Strategic Partnership is chaired by the Leader of the Council and is a mechanism through which leaders of the public and voluntary sector organisations in Broxtowe co-ordinate activity and identify strategic issues which need joint action	Broxtowe Partnership website link Meetings of Broxtowe Partnership took place quarterly in 2017/18. Task groups on health, children's services and the environment met regularly and progress on delivering agreed actions was monitored.
Development of Local Plan Part 2 and Neighbourhood Plans	Extensive consultation took place in relation to the development of proposals to be included in the Local Plan Part 2. The Council's Planning department supported the development of local Neighbourhood Plans. Summary of Neighbourhood plan activity
Communication and Engagement Strategy	2015-2018 Communications consultations and engagement strategy Invited an LGA peer review team to review our new draft Communications Strategy, review our communication arrangements and give us feedback for improvement action.

Opportunities for further improvement

1. Conduct a learning disabilities customer journey to understand the experience of people with learning disabilities in interacting with Council services.
2. Set up a task and finish group to explore the experience of people with mental health difficulties in interacting with Council services.
3. Conduct budget consultation with residents in 2018/19.
4. Continue to work with the local community regarding the future of the Town Hall in Beeston.
5. Engage and consult the community regarding the future of Beeston Town Centre.
6. Develop a new Communications and Engagement Strategy.

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
<p>The Council's vision and priorities are set out in its Corporate Plan.</p> <p>Under the Corporate Plan there are business plans for each of the Corporate Plan priorities.</p> <p>The Business Plans set a small number of high level outcome targets; Critical Service Indicators (CSI).</p> <p>These are supported by Key Performance Indicators (KPI) and Management Performance Indicators (MPI). The latter are used by managers to inform day to day operational service delivery</p>	<p>Corporate Plan 2016-2020</p> <p>All the business plans in the middle column are approved annually.</p> <p>Housing Business Plan</p> <p>Business Growth Business Plan</p> <p>Community Safety and Health Business Plan</p> <p>Environment Business Plan</p> <p>Liberty Leisure Business Plan</p> <p>Bereavement Services Business Plan</p> <p>Resources Business Plan</p> <p>Revenues, Benefits and Customer Services Business Plan</p> <p>ICT and Business Transformation Business Plan</p>
<p>Strategies – Each Corporate Plan priority is supported by a number of strategies which informs the strategic direction of the subject area and sets the</p>	<p>The key strategies adopted in previous years are:</p> <p>Housing Strategy 2015-2020</p> <p>Empty Homes Strategy 2014-2019</p> <p>Green Infrastructure Strategy 2015-2030</p> <p>Aligned Core Strategy 2014-2020</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
<p>framework within which annual business plan tasks and targets are set</p>	<p>Waste Strategy 2016-2020 Playing Pitch Strategy 2016-2028 Digital Strategy 2015-2018 Capital Strategy and Asset Management Strategy Treasury Management and Investment Strategies During 2017/18 a number of new key strategies were adopted: Homelessness Strategy 2017-21 Broxtowe Play Strategy 2017-2020 Economic Regeneration Strategy 2017-21 ICT and Business Transformation Strategy 2017-2021 Commercial Strategy 2017-2020 HS2 Growth Strategy Sept 2017 Revenue Budget and Medium Term Financial Strategy</p>
<p>Progress on delivering business plan targets, tasks and achievement of outcome indicators are regularly reported to councillors for scrutiny. An audit of data quality is conducted annually and all performance indicators are required to be signed off at senior management level to ensure that the quality of any data produced is of a sufficient standard</p>	<p>Performance reporting to Policy and Performance Committee focuses on Critical Service Indicators (CSI) and financial information indicating variances from the expected position – Reporting to Policy and Performance Committee on CSI in October and November 2017 Examples of regular performance monitoring to service committees focuses on achievement of agreed tasks and targets and monitoring of key performance indicators Leisure and Environment Committee - Business Plan report September 2017 Jobs and Economy Committee - Business Plan report March 2018 Housing Committee - Business Plan report November 2017 Finance and Resources Committee - Business Plan reporting October 2017</p>
<p>The Council's financial plans are based on a Medium Term Financial Strategy (MTFS) which identifies future budget pressures. This is revised annually as part of the budget setting process and is kept under review throughout the financial year</p>	<p>Medium Term Financial Strategy February 2018 (P128) The MTFS was revised in early 2018 as part of the Budget Strategy</p>
<p>The Council's annual Business Strategy has the following 4 objectives: that the Council should be</p> <ul style="list-style-type: none"> • Lean and fit in its assets, 	<p>Business Strategy February 2018 (P91) The Business Strategy identified potential efficiencies and income generation opportunities amounting to around £1.7m during 2018/19 to help balance the budget.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
systems and processes <ul style="list-style-type: none"> • Customer focused in all its activities • Commercially-minded and financially viable • Making the best use of technology. 	
Councillors keep oversight throughout the year regarding whether financial performance is in accordance with the agreed budget framework	Outturn variations reported to Finance and Resources Committee July 2017 Detailed reports are produced at the year end to highlight financial variances from the expected position. This also happens in relation to capital plan monitoring
The Council has a strategic risk register which is regularly reviewed and reported to Governance and Audit Committee	Example Business Plan risk reporting Example of risk reporting All business plans have an integrated risk management section

Opportunities for further improvement:

1. Review and amend the Council's Constitution.
2. Develop a new Customer Service Strategy.
3. Approve a new Contaminated Land Strategy (approved April 2018).
4. Update the Leisure Facilities Strategy.
5. Adopt Local Plan Part 2 and submit for examination (July 2018).
6. Continue to support the development of Neighbourhood Plans.
7. Further update the Business Strategy in preparation for the 2019/20 budget round.

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The Council takes time to analyse options in relation to major decisions	Minutes of Policy and Performance Committee July 2017 Beeston Square options A rigorous review of options for the regeneration of

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
	Beeston Town Centre was conducted including identification of detail on more than seven options Housing site disposal options February 2018 Another example is the provision of options to councillors in relation to disposal of housing sites
The Council examines options for the future use of its assets in order to improve public value	Beeston Town Hall proposals for consultation (P99) Responses to Beeston Town Hall Consultation Options for the future of Beeston Town Hall were widely consulted upon. 1,059 responses were generated and reported to the February 2018 meeting of the Policy and Performance Committee
The Council considers the impact on customers when considering options to change patterns of service delivery	Options for the future handling of cash transactions were considered by Policy and Performance Committee Transcash Payment Options October 2017 (P86)
The Council regularly revises and updates its proposals to achieve savings and generate additional income	The Business Strategy was updated in 2018 in preparation for the 2018/19 budget as was the Medium Term Financial Strategy Business Strategy and Medium Term Financial Strategy
The Council is pro-active in tackling areas of poorer performance	A new rent arrears policy was agreed. An officer action group was formed. Reports were produced on progress in tackling rent arrears Rent Arrears report to Finance and Resources Committee (p162)
Gas and electrical safety were identified as areas for policy development work and quality assurance	A new Gas Servicing and Safety Policy and procedures and new Electrical Safety Policy and procedures were adopted Gas and Electrical safety policy report to Housing Committee September 2017 (P50)
The Council has regard to external events and is pro-active in examining whether its arrangements respond to identified risks and threats	A Grenfell response officer working group is working to ensure issues arising from the Grenfell Fire are managed proactively and effectively to ensure tenants are kept safe Grenfell Response action update report to Housing Committee January 2018
The Council is pro-active in identifying threats and risks to safety and works in partnership to mitigate these	Water safety improvements Beeston Weir October 2017 Risk assessment open water safety Work was done in partnership with the Canal and Rivers Trust, Environment agency, Fire and Rescue and Police and local residents to improve open water safety firstly at Beeston weir and then throughout the Borough. The risk assessment methodology used is now being used as good practice throughout Nottinghamshire

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The Council works with outside experts as well as internal and external stakeholders to identify potential better ways of delivering services	A retirement living review was commissioned through HQN to consider options for the future delivery of the retirement living service. The review included stakeholder engagement with employees, members and tenants of the retirement living service Retirement Living review Housing Committee March 2018

Opportunities for Further Improvement

1. Adopt a new House Building Delivery Plan having received advice from selected experts.
2. Report back the consultation results of the Retirement living review options and adopt an option for implementation.
3. Continue preparations for the introduction of Universal Credit in November 2018 in partnership with relevant agencies.
4. Receive community led bids regarding the future of the Town Hall in Beeston and agree a way forward.

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The structure and cost of service delivery is continually reviewed.	An example of savings achieved through a service review is that a major Housing restructure took place in 2017/18 which saved just under £100,000 in year and significantly more when taking account of the full year impact. Minute of Policy and Performance Committee ref. Housing Restructure In January 2017 a significant employee savings programme identified £605,000 in savings p.a. Three compulsory redundancies were involved. Employee savings programme 2017/18 minutes Policy and Performance Committee January 2017 Restructure reports in relation to the Environment section, Accountancy section, Administration, Capital Work and Communication were also considered and approved
The Council enhances its capacity, increases resilience and broadens access to skills	An annual report is prepared each year on progress in delivering shared services, income generated and efficiencies secured

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
Through sharing a range of services with neighbouring authorities	Shared Services Annual Report October 2017
As much as identifying ways of reducing expenditure the Council is also prepared to invest in additional capacity to respond to changing needs of residents and customers, enhance knowledge and insight and improve the quality and cost effectiveness of service delivery	Planning service additional capacity was approved funding by a 20% increase in planning fees. A new Project Manager was employed to assist with the work required to produce plans and proposals to regenerate Beeston Square. A new full time Information Manager was appointed to ensure the Council is prepared for GDPR. A new Financial Inclusion Officer and a new Tenancy Sustainability Officer were appointed within the Housing section as well as a new Research Officer
Business and financial performance is regularly reported to all committees and scrutinised	See section C above for details
Service Committees consider a range of data including benchmarking data to assess the quality of Council services	The main areas identified for potential improvement related to the costs of repairs, major works and void management Members of the Housing Committee received presentations on the results of Housemark benchmarking data before a planned session of the Housing Committee

Opportunities for Further improvement

1. Review and potentially extend the Council's approach to sharing services.
2. Adopt a new People Strategy.
3. Examine further the Housing Repairs service to identify cost and quality improvements.
4. Review and implement recommendations consequent upon an external review of the Council's financial position.
5. Consider opportunities for a peer review of the Council or a service area in 2018/19

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The Council integrates risk management approaches into its performance management arrangements	A new Governance Risk and Compliance Action Plan was developed which integrates action planning arising from the need to improve governance (actions identified through the SOLACE/CIPFA review); risk management mitigation actions identified through the Strategic Risk Register and compliance with the law - both current and future
<p>The Council has a Strategic Risk Management Group that reports to the General Management Team. The Governance, Audit and Standards Committee regularly consider and approve updates to the Strategic Risk Register. All key decision reports submitted to committees contain a risk assessment where appropriate, which is used to update the Strategic Risk Register. All action points within business plans are required to be risk assessed. The Governance, Audit and Standards Committee has oversight and decision making responsibility for determining the</p> <ul style="list-style-type: none"> • Internal Audit Plan and progress made with the plan • implementation of internal and external audit recommendations • Strategic Risk Register <p>Risk management training is occasionally provided. An eLearning module is available to enable members to access training on risk management whenever convenient to them.</p>	<p>The Risk Management Policy and Strategy were approved by the Governance, Audit and Standards Committee on 20 June 2016</p> <p>Risk Management Policy and Strategy June 2016</p>
Members of the Governance, Audit and Standards Committee can have independent access to the Chief Audit and Control Officer where considered to be necessary. The Chief Audit and Control Officer is satisfied that	The latest external review of the effectiveness of the system of Internal Audit was considered by the Governance, Audit and Standards Committee in March 2018. This review is conducted by an experienced and independent assessor. The outcome of this review in 2017/18 was positive and indicated that Council's Internal Audit service

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
<p>in all respects he has the necessary authority and resources to assess the Council's governance, risk and internal control environment and highlight any problems that he considers should be drawn to the attention of the Council</p>	<p>complies with the expectations of the Public Sector Internal Audit Standards. This provides the Council with confidence in the assurance work that is provided by Internal Audit. Furthermore, the outcome of the review was benchmarked against other providers in both the sector and the wider industry and this shows that the team compares favourably in comparison with its peers. Whilst the review did identify areas where improvements could be made, these are not felt to be fundamentally undermining the work of Internal Audit, its role within the organisation or the Chief Audit and Control Officer's ability to assess the Council's internal control environment.</p> <p>Internal Audit Review of Effectiveness March 2018</p>
<p>The Safety Committee and Civil Contingencies Planning Group, chaired by the Chief Executive and comprising relevant senior officers, consider and develop plans to mitigate risks arising in workplace settings, or threats from flooding, major emergency events or risks to health</p>	<p>Minutes of Health and Safety working group meetings and Civil Contingencies Group meetings are available.</p> <p>Emergency Plan Flu Pandemic Plan Flooding response Plan</p>
<p>A corporate Business Continuity Plan seeks to mitigate the effects of a potential disruption to services so that the impact of such a disruption is minimised and services restored to an acceptable level within pre-set timescales. The Business Continuity Plan is reviewed by the Strategic Risk Management Group. Departmental business continuity plans also exist</p>	<p>Copies of departmental and Corporate Business Continuity Plans are available.</p>
<p>The Fraud and Corruption Prevention Policy Statement is that the Council takes a zero-tolerance approach to fraud and corruption.</p> <p>The Council is committed to establishing a strong anti-fraud and corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. Any indications of potential</p>	<p>The Council's Fraud and Corruption Prevention Policy and Money Laundering Prevention Policy were both refreshed and approved by the Governance, Audit and Standards Committee in March 2017 – Fraud and Corruption Prevention and Money Laundering Prevention Policy March 2017</p> <p>As part of the process, an annual report relating to fraud and corruption prevention activity is submitted to the Governance, Audit and Standards Committee, the latest being in March 2018. The delivery of the action plan will help to further strengthen the current arrangements in place – Counter Fraud and</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
<p>fraud in respect of benefits are forwarded to SFIS for investigation.</p> <p>The Council has processes in place which help to identify and tackle fraud. An analysis of residual non-benefits related fraud investigation requirements was undertaken prior to the transfer which identified no substantial areas of immediate concern for the Council other than that which can normally be addressed as part of the work of Internal Audit</p>	<p>Corruption Annual Report March 2018</p> <p>Data matching exercises continue to be undertaken by the National Fraud Initiative, run by the Cabinet Office. A Single Person Discount review took place jointly across Nottinghamshire in 2017/18, with further work scheduled during 2018/19. The results of these exercises are used to shape future programmes of counter fraud activity.</p> <p>A more proactive approach has been undertaken by the introduction of the Fraud and Error Reduction Incentive Scheme (FERIS) approach, sponsored by the DWP, and the introduction of a risk-based assessment framework for benefits applications, including the Local Council Tax Support Scheme, for which the Council remains fully accountable</p>
Chief Officers are required to prepare an annual statement of compliance with internal control stating compliance with the law and approved policy	An annual Statement of Internal Control has been prepared by each Chief Officer
<p>The Council has sound information governance arrangements in place including the safe collection, storage, use and sharing of data.</p> <p>A suite of online information management products have been developed and are required to be completed by employees at various levels.</p> <p>Comprehensive Information Management Policies are in place</p>	<p>Information Management arrangements Information Management Policies</p> <p>A new full time dedicated Information Governance Officer was appointed (previously the role was part time).</p> <p>A new online GDPR employee training product was developed, rolled out and completed by all employees</p> <p>See above</p>
The Council is proactive in tackling threats to performance (e.g. income management)	<p>Reports are made to the Finance and Resources Committee on preparations for Universal Credit.</p> <p>A Universal Credit steering group, including partners such as the CAB, was set up to help prepare for the introduction of Universal Credit in November 2018.</p>
The Council welcomes external agencies to give us feedback on our performance and responds positively to suggestions for improvement	<p>The Council responded positively to a Food Safety audit inspection and, following receipt of a report, developed an improvement action plan and employed additional resources to improve performance – Food Safety Audit Action Plan</p> <p>Community Safety Committee March 2018 (P7)</p>

Opportunities for Further Improvement

1. Implement the GDPR action plan.

2. A fraud risk assessment exercise will be completed by the Chief Audit and Control Officer, in conjunction with Chief Officers and senior management, taking into account published guidance from central government, CIPFA, National Fraud Initiative (NFI) and other relevant organisations to develop a fraud risk register to identify fraud risks.

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

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action or new steps in relation to the principle in 2017/18
The Council complies with its obligation to produce a Publication Scheme	The Publication Scheme was reviewed and updated – Publication Scheme
The Council publishes data in a transparent way which is accessible through the website	Open data website link
The Council reports annually on performance and financial stewardship through a newsletter which goes to every household in Broxtowe	The Annual Report was sent to every household through the Broxtowe Matters publication in 2017/18 and placed on the Council's website – Annual Report Autumn 2017
A Governance, Risk and Compliance Action Plan is produced which incorporates governance improvements identified as a result of the annual governance check	The status of the previously agreed action plan is outlined in appendix 3 above
Internal Audit and External Auditor recommendations are acted upon	Reports are regularly made to Governance, Audit and Standards Committee on progress in implementing agreed actions following an Internal Audit – Internal Audit Progress Report
The Council welcomes peer challenge and other forms of external review of service delivery	An external review of the Retirement Living service was conducted in 2017/18 – Review of Retirement Living Service March 2018 . An LGA review of finances was presented to Finance and Resources Committee in April 2018 – LGA review of finances

Opportunities for further improvement

1. Integrate the requirements of the code into our governance checks for shared service arrangements.
2. Improve the comparability of information in financial statements with other similar organisations.

Conclusion

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the organisation who have responsibility for the development and maintenance of the governance environment, the Chief Audit and Control Officer's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The operation of the Governance Framework during 2017/18 has provided the Council with **reasonable assurance** that proper practices are in place governing the conduct of the Council's business. Additional improvement actions have been identified through the annual review of the standard and are included in the new Governance Risk and Compliance Action Plan.

During the year an external investigation was carried out, with the external investigator recommending that disciplinary proceedings should be considered by the Council. This has been done. Improvement actions connected to the external investigation have previously been implemented.

Implementation of the governance related actions specified in the attached action plan will help to ensure that the Council's governance arrangements continue to improve and be fit for purpose in accordance with the governance framework.

APPENDIX 3

DRAFT ANNUAL GOVERNANCE STATEMENT

1. What are the Council's Governance Arrangements?

1.1. Corporate Values

The Council's governance arrangements are reflected in our corporate values which are:

- Integrity and professional competence
- A strong caring focus on the needs of communities
- Continuous improvement and delivering value for money
- Valuing employees and enabling the active involvement of everyone
- Innovation and readiness for change.

1.2. Competency Framework and Employee Performance Appraisal

These values are consistent with the SOLACE/CIPFA governance code and act as the basis for the Council's competency framework and the assessment of individual employee performance appraisal.

1.3. The Constitution, Standing Orders and Delegated Authority

The Council's Constitution sets out the roles of members and officers and the terms of reference of the Council's committees. Officer's delegated powers to take decisions are set out in this document, as are the protocols and codes of conduct regulating the way employees and members should behave and relate to each other, and how debate is conducted at Council meetings. Limits of financial expenditure are set out in standing orders and in standing orders relating to contracts.

The main checks and balances on the respective power of officers and members is summarised in the table below. The table provides some of the key ways in which officers and members are held accountable to local residents. Website links are made to where you can find further information (*those in green and black are internal documents*).

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Officer delegations within Constitution • Pay Policy underpinned by Job evaluation policy • Disciplinary Policy • Employee Code of Conduct 	<ul style="list-style-type: none"> • Elections • Independent Remuneration Panel • Members Allowances scheme • Governance Audit and Standards Committee 	<ul style="list-style-type: none"> • Broxtowe Matters Annual Report • Public Questions at Council Meetings • Petitions at Council Meetings • Community Trigger for Anti-social Behaviour

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Strategic Director • Financial standing orders within Constitution • Contract standing orders within Constitution • Fraud Prevention Policy • Treasury Management policy • Business Continuity Plans • Whistleblowing Policy • Strategic Risk Register • Risk Management Policy • Health & Safety Policy; Procedures; Health and Safety Group • Information Management Arrangements • Staff engagement exercises • Complaints and compliments procedure • Licensing and Appeals Committee (employment and grievance appeals) • Statement of Internal Control (SIC) 	<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Strategic Director • Questions to Committee chairs at Council meetings • Member code of conduct • Reports at Council by Members of Outside Bodies at Council meetings • Ward Member reports at Council meetings • Public Consultations • Register of Members Interests • Community Action Team Meetings • Declaration of interests at all meetings • Protocol for Councillor/Officer Relationships 	<ul style="list-style-type: none"> • Communications Strategy 2015-18 • Open Data • Transparency framework • Publication scheme • Publication of Committee decisions • Tenant and Leaseholder Matters • Broxtowe Parks Standard • Public satisfaction surveys • External audit annual letter to Governance at Audit committee • Internal and external audit progress reports at Governance and Audit Committee • Periodic external inspections e.g. EFLG/IIP/IIE/LGA • Peer review • Benchmarking through APSE/ CIPFA/SOCITIM/ Housemark • Finance Data online • Licensing and Appeals Committee (Taxi, alcohol, licensing matters) • Commenting on Planning applications and speaking to Planning Committee

1.4. [Corporate Plan and Business Plans](#)

The Council's Corporate Plan sets out the Council's [Vision and Priorities](#).

The Council's vision is "*Broxtowe... a great place where people enjoy living, working and spending leisure time.*"

The Council has five priorities each of which are set out below, each with a number of objectives:

1. Housing 'A good quality affordable home for all residents of Broxtowe'

- *Increase the rate of house building on brownfield sites*
- *Become an excellent housing provider*
- *Improve the quality and availability of the private sector housing stock to meet local housing need*

2. Environment 'The environment in Broxtowe will be protected and enhanced for future generations'

- *Reduce litter and fly tipping to make Broxtowe cleaner*
- *Maintain and improve the green infrastructure of Broxtowe*
- *Increase recycling, composting, renewables and energy efficiency projects as resources allow and reduce residual waste*

3. Community Safety 'Broxtowe will be a place where people feel safe and secure in their communities'

- *Reduce domestic violence in Broxtowe*
- *Reduce the amount of anti-social behavior in Broxtowe*

4. Business Growth 'New and growing businesses providing more jobs for people in Broxtowe and improved town centres'

- *Increase the number of new businesses starting in Broxtowe*
- *Help our town centres to compete and attract new visitors*
- *Complete the regeneration of Beeston Town Centre and seek opportunities to regenerate town centres throughout Broxtowe.*

5. Health 'People in Broxtowe enjoy longer active and healthy lives'

- *Increase the number of people who have active lifestyles*
- *Work with partners to improve the health of the local population*
- *Reduce alcohol related harm in Broxtowe*

1.5. Strategy and Policy Framework

Within each priority area, a range of strategies and policies are devised to guide the decision making of officers and members. These are approved by the respective

committees (see below) apart from those which are reserved for full Council for determination.

1.6. Decision-making Structures

The Council has adopted a committee system, which means that all the political parties are represented within the decision making committees. Neither the Leader of the Council or the Chairs of Committees have executive power, which enables decision making to take place in a democratic fashion with scrutiny taking place as part and parcel of decision making. The Council may set up task and finish or working group arrangements to come forward with proposals for policy development or on topics which members consider require further investigation and enquiry.

- The full Council decides upon policy and certain other specialist functions that cannot be delegated elsewhere, including the setting of the Council Tax.
- The Policy and Performance Committee, which includes the Chairs of all other policy committees, has overall responsibility for developing and delivering policies of the Council and monitoring progress against the objectives of the Corporate Plan.
- The Finance and Resources Committee has responsibility for reviewing the Council's budget and financial management and makes recommendations to Council with regard to the setting of Council Tax.
- Committees mirror the Council's main priority themes of Community Safety; Housing, Jobs and Economy, and Leisure and Environment. These are allocated authority by the Council to develop and deliver policy within their specific remit set out in the constitution.
- Separate quasi-judicial committees exist for Planning, Licensing and Appeals, Alcohol and Entertainments.
- Matters relating to governance and standards are dealt with by the Governance, Audit and Standards Committee. The role of this committee is particularly relevant to the operation of the SOLACE/CIPFA code and is set out in more detail below:

Role of the Governance, Audit and Standards Committee

The role and operation of the Governance, Audit and Standards Committee is in line with a toolkit and publication produced by CIPFA entitled Audit Committees – Practical Guidance for Local Authorities. Specific functions delegated to this Committee include:

- *Overseeing the arrangements for the maintenance of the Council's internal control environment and to receive reports of the Monitoring Officer and Chief executive in relation to whistleblowing and complaints*
- *Undertaking the functions conferred in relation to standards of conduct by the Local Government Act 2000 and the Localism Act 2011 and associated legislation*
- *Reviewing and approving the Council's published accounts and associated documents*
- *Overseeing the Council's arrangements for risk management*

- *Monitoring and making recommendations regarding the Council's corporate governance arrangements*
- *Determining employment policies*
- *Considering matters in relation to elections, polling districts and ward boundaries.*

In addition, the Committee reviews Internal Audit Plans and the work of Internal Audit and receives summary reports on the findings from completed audit assignments.

- Two joint committees exist – the Economic Prosperity, which consists of the Leaders of all councils in Nottinghamshire to consider countywide development matters; and the Bramcote Bereavement Service Joint Committee which oversees the operation of Bramcote Crematorium, which is jointly owned with Erewash Borough Council.
- Two internal committees recommend changes to employee policy pay and conditions – the Local Joint Consultative Committee which considers employee related matters and the Independent Remuneration Panel, which considers matters relating to the remuneration of members. The Independent Remuneration Panel reviewed members' allowances in January 2018 and took into account the changes in the role of members under the new structure. The panel recommended increases in basic allowances and review of allowances for some specific roles. Full Council received the report of the panel's findings on 7 March 2018 but did not accept the recommendations, which would, if adopted, have increased allowances.

Delegation arrangements to officers are set out in detail within the Constitution. In order to ensure that decisions are made in compliance with the law and approved policy, Chief Officers are charged with responsibility for the operation of controls within their areas of responsibility and for statutory functions as necessary. They make an annual declaration of compliance through the annual statement of internal control.

Regular meetings take place between relevant senior officers and members of the Council to discuss and propose policy.

The Constitution also includes sections on the conduct of meetings, Financial Regulations, Financial Regulations (Contracts) and Codes of Conduct for members and officers.

- 1.7. The Council established a wholly owned leisure services company, Liberty Leisure Limited, from October 2016. These arrangements have delivered cost reductions and increased income though the company operating as a commercial entity and opportunities to better fulfil the Council's aims through increased flexibility in day-to-day operations. Full control of the company is maintained by the Council through the governance arrangements that are in place, with the Leisure and Environment Committee maintaining an oversight of the company. Liberty Leisure Limited has continued to provide a wide range of leisure and cultural activities and generates a surplus trading position.

- 1.8. A Shared Services Board, chaired by the Chief Executive, meets regularly to keep shared service arrangements under review. Steps were taken to tighten control over shared services arrangements in 2017/18 and an annual report highlighting the value of these arrangements is presented to the Policy and Performance Committee.

1.9. Strategies, Policies and Business Plans

The Council has a suite of strategies, policies and business plans which mirror its corporate priority themes and ensures that service delivery follows a clearly set out, politically approved and strategically led approach.

1.10. Electoral Arrangements

In 2017/18 there was a parliamentary election, in addition to elections to the County Council.

The Council made representations to the Boundary Commission for England on its proposals for a review of parliamentary constituency boundaries which will seek to reduce the number of constituencies from 533 to 501 and the number of MPs from 650 to 600. Commissioners will decide whether to revise the initial proposals in light of comments received during the two consultation stages. The Commission is due to publish its final report in September 2018, with the new arrangements coming into effect for the next scheduled parliamentary elections.

Efforts continued to increase the number of registered electors, particularly the under-represented groups, and also the accuracy of the register through data matching. Work has commenced on a new engagement strategy to increase registration further.

1.11. Statutory Officers

The Council's statutory officers are the Chief Executive (as the 'Head of Paid Service'), the Interim Deputy Chief Executive (as the 'Section 151 Officer') and the Interim Monitoring Officer. All three officers are members of the General Management Team and have the authority to place reports in front of an appropriate member body where an aspect of concern and within their statutory remit comes to their attention. In particular, they are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

Regular discussions are held at weekly meetings of the General Management Team about issues where governance is of concern and periodically a specific discussion takes place to identify areas of concern on the horizon, whether these may arise from such as legislative changes, changing service demands, political matters or financial problems, risk assessment that has been undertaken and any changes in the risk environment in which the Council is operating, and matters to be reported to future committees.

The Interim Deputy Chief Executive is the appointed Section 151 Officer and is a key member of the General Management Team (GMT). Being part of GMT, together with meeting with leading members and attending full Council, Policy and Performance Committee, Finance and Resources Committee and other appropriate committees, as required, ensures that the Section 151 Officer can provide corporate financial advice to the Council at the appropriate level and that financial implications and risks are properly taken into account.

All reports to decision making committees incorporate a statement on financial implications where appropriate which are subject to review by the Section 151 Officer and the Head of Finance Services. As such the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Section 151 Officer's responsibilities include ensuring that GMT and senior members are made aware of any financial issues at the earliest opportunity and making sure that these are acted upon as appropriate.

The Interim Monitoring Officer also attends GMT. Part of their responsibilities include ensuring that any legislative changes are known about and implemented as appropriate, together with monitoring that the Council does not act unlawfully.

Chief Officers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Each Chief Officer signs a Statement of Internal Control to acknowledge responsibility in maintaining and operating functions in accordance with the Council's procedures and practices that uphold the internal control and assurance framework.

In 2017/18 the Statements of Internal Control were reviewed to determine whether any further strengthening of the control environment can be achieved. Any areas identified have been addressed or are part of ongoing development of increased controls to be implemented during 2018/19.

1.12. Audit and Control

The Chief Audit and Control Officer is the Council's designated 'Head of Internal Audit' and is under the management of the Interim Deputy Chief Executive. Whilst the Chief Audit and Control Officer is not a member of the General Management Team, in all other respects the role is in accordance with guidance as laid down in the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit, including attendance at the Governance, Audit and Standards Committee and presenting reports in their own name.

Internal Audit is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. The Internal Audit Charter covers all activities of the Council at a level and frequency determined using a risk management methodology. The approach is designed to be risk-based so that it can focus resources on the key areas of risk facing the Council. The current arrangements include sharing Internal Audit management resources with Erewash Borough Council.

In advance of each financial year the Governance, Audit and Standards Committee is responsible for approving the Internal Audit Plan that governs each year's activity. Upon completion of each audit assignment, a report is produced for management with agreed actions for improvement. Regular progress reports on Internal Audit activity are submitted to the Governance, Audit and Standards Committee for scrutiny. This Committee can request further reviews to be undertaken and can request other committees to further investigate matters arising from any activities within their remit.

1.13. External Audit

The external auditor reviews the Council's arrangements for:

- preparing accounts in compliance with statutory and other relevant requirements
- ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- securing economy, efficiency and effectiveness.

The external auditor gives their opinion on the Council's accounts and whether or not proper arrangements exist to secure value for money.

The Annual Governance Report presented to the Council in September 2017 recommended that further measures be taken to develop arrangements, including reviewing working practices, to improve the final accounts preparation process.

The Council continues to examine the use of its financial systems to help produce information for financial management, the capacity of the Finance Services teams and the financial reporting processes used to advise Members during the course of the year.

1.14. Fraud and Corruption

The Department of Work and Pensions (DWP) established a Single Fraud Investigation Service (SFIS) to manage benefit fraud investigation on a national basis. Officers employed by the Council to investigate benefit fraud transferred to SFIS in November 2015.

The Chief Audit and Control Officer acts as the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports. Internal Audit is supported in this by procuring specialist fraud investigation services as required from local partners, including Erewash Borough Council.

1.15. Partnerships

The Governance, Audit and Standards Committee has the responsibility to examine further procurement and collaborative working opportunities with the private sector and other local authorities. All of the policy committees have included in their remit

the power to direct the work of any delivery vehicles established to deliver services within their remit. This may include partnership arrangements, including those with the voluntary and community sector. Where grants are provided to voluntary sector organisations, conditions are applied regarding the reporting of the activities of the grant receiving body and its financial standing. In particular, where grant funding exceeds a given value a service level agreement may be used to gain assurance over the use of funds.

Implementation of Previous Action Plan

The actions identified in the previous year have been implemented as stated above and summarised in the table below:

Action	Progress
1. Update the Local Code of Corporate Governance in line with the revised principles of the CIPFA/SOLACE Framework.	Completed.
2. Implement the policies and strategies published during 2016/17 as identified in this Statement.	Completed and ongoing.
3. Complete a new People Strategy and ICT Strategy; review the Economic Regeneration Strategy; complete a new Leisure Facilities Strategy; and complete the Local Plan part 2 and Neighbourhood Plans.	The ICT Strategy and the Economic Regeneration Strategy have both been completed. The Local Plan Part 2 is awaiting examination. The draft People Strategy has not yet been adopted. The Leisure Facilities Strategy and the Neighbourhood Plans are both In progress.
4. Continue to address budget challenges and financial pressures by completing a new Business Strategy and Commercial Strategy and revising the Asset Management Strategy to identify and implement efficiencies and commercial opportunities, making the best use of the Council's assets and by continuing to investigate and pursue opportunities for shared services and increased collaborative working with other authorities where these are of benefit to the Council.	An updated Business Strategy and the refreshed Medium Term Financial Strategy were approved by the Finance and Resources Committee on 15 February 2018. The Commercial Strategy has been completed.
5. Take appropriate action to respond to the findings of the external auditor as set out in their Annual Governance Report, Audit Opinion Plan and Certification of Claims and Returns Annual Report.	Completed and will be reviewed as part of the 2017/18 external audit.

Action	Progress
6. Continue to implement the improvement plan in respect of housing rents recovery procedures.	Better joint working between the Housing and Revenues and Benefits teams has resulted in good progress in reducing rent arrears.
7. Strengthen controls over gas safety procedures.	Gas Safety Policy approved by the Housing Committee, with new procedures now in place. Substantial assurance from Internal Audit and external audit reports.
8. Review procurement and contract management arrangements in respect of the Housing Management Software upgrade.	New project management arrangements in place.
9. Revise whistleblowing procedures.	New Whistleblowing Policy approved.
10. Improve budgetary control over staff and agency costs.	This is reviewed monthly by General Management Team and the Chair of Finance and Resources Committee.
11. Update Business Continuity Plans.	Departmental plans have been updated, and the corporate Business Continuity Plan has been reviewed.
12. Address the findings of the external investigation, including reviews of the employee Code of Conduct, the disciplinary policy and the trade union recognition and consultation procedures.	New employee Code of Conduct, Whistleblowing and disciplinary policies approved.
13. Ensure that appropriate governance arrangements are in place for trading companies.	The Liberty Leisure Board established and reports to the Leisure and Environment Committee.

Significant Governance Issues – Action Plan

Action	Lead Officers/Target Date
1. Further communicate, embed and reinforce the Council's values and ethical standards through conducting ethical workshops for employees in 2018/19.	Chief Executive March 2019
2. The Council has developed an online training module for the new Code of Conduct which will be introduced during 2018/19 and will be a requirement for every employee to complete.	Chief Executive September 2018
3. Improve the extent to which the Council monitors the ethical standards demonstrated and risks presented by external providers of services. The new Procurement and Contracts Officer will lead efforts to improve this in 2018/19.	Deputy Chief Executive March 2019
4. Conduct a learning disabilities customer journey to understand the experience of people with learning disabilities in interacting with Council services.	Chief Executive March 2019
5. Set up a task and finish group to explore the experience	Chief Executive

of people with mental health difficulties in interacting with Council services.	December 2019
6. Conduct a budget consultation with residents in 2018/19.	Deputy Chief Executive February 2019
7. Further update the Business Strategy in preparation for the 2019/20 budget round.	Deputy Chief Executive February 2019
8. Continue to work with the local community regarding the future of the Town Hall in Beeston.	Deputy Chief Executive Ongoing in 2018/19
9. Engage and consult the community regarding the future of Beeston Town Centre.	Deputy Chief Executive Ongoing in 2018/19
10. Develop a new Communications and Engagement Strategy.	Interim Strategic Director December 2018
11. Review and amend the Council's Constitution.	Monitoring Officer December 2018
12. Develop a new Customer Service Strategy.	Deputy Chief Executive March 2019
13. Approve a new Contaminated Land Strategy.	Chief Executive Approved April 2018
14. Update the Leisure Facilities Strategy.	Deputy Chief Executive March 2019
15. Adopt the Local Plan Part 2 and submit for examination.	Chief Executive July 2018
16. Continue to support the development of Neighbourhood Plans.	Chief Executive Ongoing in 2018/19
17. Adopt a new House Building Delivery Plan having received advice from selected experts.	Chief Executive October 2018
18. Report back the consultation results of the Retirement Living review options and adopt an option for implementation.	Chief Executive June 2018
19. Continue preparations for the introduction of Universal Credit in November 2018 in partnership with the relevant agencies.	Deputy Chief Executive November 2018
20. Receive community led bids regarding the future of the Town Hall in Beeston Town Hall and agree a way forward.	Deputy Chief Executive July 2018
21. Review and potentially extend the Council's approach to sharing services.	Chief Executive Ongoing in 2018/19
22. Adopt a new People Strategy.	Interim Strategic Director September 2018
23. Examine further the Housing Repairs service to identify cost and quality improvements.	Chief Executive March 2019
24. Review and implement recommendations consequent upon an external review of the Council's financial position.	Deputy Chief Executive March 2019
25. Consider opportunities for a peer review of the Council or a service area later in 2018/19.	Deputy Chief Executive March 2019
26. Implement the GDPR Action Plan.	Interim Strategic Director Ongoing in 2018/19
27. Complete a fraud risk assessment exercise in	Deputy Chief Executive/

conjunction with Chief Officers/senior management, taking into account published guidance from central government, CIPFA, National Fraud Initiative (NFI) and other relevant organisations to develop a fraud risk register to identify fraud risks.	Chief Audit and Control Officer March 2019
28. Integrate the requirements of the code into our governance checks for shared service arrangements.	Chief Executive March 2019
29. Improve the comparability of information in financial statements with other similar organisations.	Deputy Chief Executive March 2019

We propose over the coming year to take steps to address the above matters to further enhance our 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.

Councillor R Jackson
Leader of the Council
Broxtowe Borough Council
23 July 2018

R Hyde
Chief Executive
Broxtowe Borough Council
23 July 2018