

## Report of the Chief Executive and the Deputy Chief Executive

**CORPORATE GOVERNANCE ARRANGEMENTS**1. Purpose of report

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval of the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2018/19.

2. Background

The Accounts and Audit Regulations 2015 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 an Annual Governance Statement report 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 2018/19 to advance the principles of the Code.

Appendix 3 provides an explanation of the Council's governance arrangements, and an update on the implementation of previously identified improvement actions. It concludes with the draft Annual Governance Statement and the Significant Governance Issues Action Plan for 2019/20. 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. 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.**
- 2. RESOLVE that responsibility be delegated to the Chief Executive and the Chair of this Committee to make any further amendments deemed necessary.**
- 3. NOTE compliance with the Code on Delivering Good Governance in Local Government.**

Background papers

Nil

**APPENDIX 1**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.

## APPENDIX 2

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 2018/19 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 2018/19
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. Policy and Performance Committee on 6 February 2018 approved a new officer code of conduct	<u>Officer Code of Conduct</u> <u>Member Code of Conduct</u> <u>Corporate Values</u> <p>An online training course based on the officer code of conduct was developed and rolled out to officers of the Council during 18/19.</p> <p>As part of "new ways of working" visual reminders of the Council's values were incorporated into the design of the working environment in 2018/19</p> <p>As part of new starter induction procedures in 18/19 all new starters meet with GMT when the values of the Council are discussed.</p>
The Constitution contains a protocol for member and officer relationships.	A series of ethical workshops were incorporated into SMT meetings. This has included for example discussions about "integrity" and ethical dilemmas based on member/officer relationships and appropriate responses
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	The Workforce Profile (the latest completed profile 2017/18) was reviewed by the General Management Team. As required by law Broxtowe published information regarding its gender pay gap.

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 2018/19
or the operation of any other HR practices.	<u>Broxtowe Gender Pay Gap</u>
<p>The Council holds members to account for their behaviour by addressing allegations of breaches of the member code of conduct</p> <p>An independent person has been appointed to deal with standards issues that arise.</p>	<p>3 Code of Conduct complaints against members were dealt with. None involved allegations of fraud or corruption. 1 proceeded to formal investigation</p> <p>There were 7 code of conduct complaints made against parish Councillors</p>
<p>The Complaints procedure. Complaints present an opportunity for improvement and can identify systemic or behavioural failings which need to be addressed</p>	<p><u>Complaints procedure</u></p> <p><u>Annual complaints report for 17/18</u> (Annual complaints report to Governance Audit and Standards Committee)</p> <p>The report provides details, in particular, of those complaints that are referred to the Ombudsman, and where improvements to systems and processes have been made as a result of complaints. Any complaints where a financial settlement is appropriate, or has been made, are also reported in detail to this Committee.</p> <p>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. The report explains in detail the actions taken to promote equality and diversity</p> <p><u>Equality and Diversity report 2018/19</u></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>During 18/19 in relation to employees there were 6 grievances ( 4 employees)</p> <p>1 whistleblowing complaint</p> <p>6 disciplinary investigations ( resulting in 3 dismissals; 2 first warnings and 1 final warning)</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 2018/19
<p>Whistleblowing Policy and Disciplinary Policy, <u>Policy and Performance Committee 21 November 2017</u></p> <p>Grievance Policy, Bullying and Harassment Policy, Personal Relationships Policy and Stress Management Policy - <u>Policy and Performance Committee 3 October 2017</u></p> <p><u>Protocol for handling anonymous communications</u></p>	<p>1 capability process</p> <p>A new <u>People Strategy</u> was adopted By December's Policy and Performance committee in 2018</p> <p>A new <u>Apprenticeship Strategy</u> was also adopted by Policy and Performance committee in December 2018</p> <p>A comprehensive review of policies relating to the governance of officer conduct took place and were approved by Policy and performance committee during the year. These included</p> <p>Capability procedure</p> <p>Probation policy</p> <p>flexible working policy</p> <p>redeployment policy</p> <p>job evaluation policy</p> <p>flexible retirement policy</p> <p>recognition of trade union and facilities support policy</p> <p>drug and alcohol misuse policy</p> <p>job sharing policy</p> <p>leave scheme</p> <p>Driving at work policy</p> <p>Learning and development policy</p> <p>attendance management policy (amendments to terms and conditions of employment relating to GDPR and Pay in lieu of notice)</p> <p>Agency worker's policy</p>
<p>Every employee has an annual appraisal which leads to a learning plan for the coming year.</p>	<p><u>Core Abilities Framework/Personal Appraisal system</u></p> <p>The annual appraisal system in 2018/19 had an 88.5% completion rate</p>

### Opportunities for further improvement

1. It is intended to continue the programme of ethical workshops for SMT in 2019/20.
2. An area for improvement is the extent to which the Council monitors the ethical standards demonstrated by external providers of services. Our Procurement and Contracts Officer will lead efforts to improve this in 2019/20.

### 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 2018/19
<p>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</p>	<p>Monthly senior management Team Briefings</p> <p>Equality Working Group met quarterly</p> <p>Broxtowe Employee News bulletin was sent out regularly</p> <p><a href="#">New Ways of Working Group met monthly and intranet pages were set up to update on progress</a></p> <p>and a NWOW “Champions” group comprising employees throughout the Authority also met during 2018/19</p> <p>An LJCC committee comprising Councillors, trade union reps and managers meets to discuss HR related policies before recommending them to Policy and Performance committee.</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 2018/19
<p>The Council communicates with its residents through a newsletter which is published 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 over xxx subscribers. Work to develop these channels to maximise channel shift is ongoing</p>	<p><a href="#">Broxtowe Matters Annual performance edition 17/18</a> ( the latest edition is awaiting dispatch having been held up because of the pre-election period)</p> <p>The Council informed residents about how we spent their money in 2016/18 in the November ( see above)</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>Residents are regularly updated on new consultations through our website as well as press releases</p>	<p><a href="#">Consultation and Engagement website link</a> <a href="#">This shows residents how they can participate in public consultations.</a></p> <p>major consultation exercises taking place in 2018/19 included</p> <ul style="list-style-type: none"> <li>• New tenancy agreement</li> <li>• Changes to retirement living service</li> <li>• Beeston Town centre regeneration</li> <li>• Budget consultation 2019/20</li> </ul>
<p>Regular tenant led Service review groups for Housing services.</p>	<p><a href="#">Examples of Housing service review reports</a></p> <p>A summary of methods of Tenant engagement in the housing service were included in a <a href="#">Report to Housing Committee 19th January 2019</a>. The report will lead to the development of a new tenant engagement strategy in 2019</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 2018/19
<p>Tenant engagement in significant reviews of Housing service delivery.</p>	<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><a href="#">Tenure Policy Consultation - November 2017</a></p> <p><a href="#">Allocations review consultation</a></p> <p><a href="#">New Secure Tenancy Consultation - Housing Committee 2018</a></p>
<p>Engagement in relation to new strategy</p>	<p>There was extensive public engagement in relation to part 2 of the local plan.</p>
<p>The Council encourages engagement annually on its expenditure through its annual budget survey</p>	<p>Budget consultation for budget 2019/20 was reported to Finance and Resources Committee in February 2018/19</p> <p>415 residents responded to the budget consultation as reported to Finance and Resources Committee in February 2019.</p> <p>74% of people are either 'satisfied' or very 'satisfied' with the area in which they live; this figure hasn't changed since the 2018/19 consultation showing continued levels of satisfaction. 59% are either 'satisfied' or 'very satisfied' with the way that the Council delivers services. However this number is a reduction on last year; where 73% responded positively. 3% of people are 'very dissatisfied' in both categories.</p>
<p>Disability Forum</p>	<p><a href="#">Equality and Diversity Annual Report for 2017/18</a> went to Policy and Performance committee in April 2018</p> <p>Examples of engagement with and the influence of the Disability Forum in 2018/19 on the Council's policy development and service delivery are included in the annual Equality and Diversity Report</p>
<p>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</p>	<p>The Youth Mayor regularly participated in Council meetings during 2018/19</p> <p><a href="#">Council agenda and minute Oct 2018 showing Youth Mayor participation</a></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 2018/19
people is heard by members.	
Community Action Teams – The Council organises regular local meetings with the local community 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	<a href="#">CAT meeting schedule and minutes</a>
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	<a href="#">Broxtowe Partnership website link</a> Meetings of Broxtowe Partnership took place quarterly in 2017/18. Task groups on health and older people, and children's services 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. The Nuthall Neighbourhood plan was approved in a referendum and adopted. Progress on other Neighbourhood plans can be seen on our website. <a href="#">Progress on Neighbourhood plans website link</a>
Communication and Engagement Strategy	A new <a href="#">Communication and Engagement Strategy</a> was approved by Policy Committee on 4 <sup>th</sup> July 2018

### Opportunities for further improvement

1. Complete a learning disabilities customer journey to understand the experience of people with learning disabilities in interacting with Council services.

2. Conduct budget consultation with residents in 2019/20 for the budget 2020/21
3. Engage and consult the community regarding the future of Stapleford Centre.

**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 2018/19
<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. 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><a href="#">Corporate Plan 2016-2020</a></p> <p>All the business plans in the middle column are approved annually and can be viewed on our website <a href="#">at this web link</a></p> <p>Housing business plan  Business growth business plan  Community safety and health business plan  Environment business plan  Liberty Leisure Ltd business plan  Bereavement services business plan  Resources business plan  Revenues benefits and customer services business plan  ICT and business transformation business plan</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 2018/19
<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 framework within which annual business plan tasks and targets are set</p>	<p>The key strategies adopted in previous years are:</p> <p><a href="#">Housing Strategy 2015-2020</a></p> <p><a href="#">Empty Homes Strategy 2014-2019</a></p> <p><a href="#">Green Infrastructure Strategy 2015-2030</a></p> <p><a href="#">Aligned Core Strategy 2014-2020</a></p> <p><a href="#">Waste Strategy 2016-2020</a></p> <p><a href="#">Playing Pitch strategy 2016-2028</a></p> <p><a href="#">Digital Strategy 2015-2018</a></p> <p><a href="#">Homelessness Strategy 2017-21</a></p> <p><a href="#">Broxtowe Play Strategy 2017-2020</a></p> <p><a href="#">Economic Regeneration Strategy 2017-21</a></p> <p><a href="#">ICT and Business Transformation Strategy 2017-2021</a></p> <p><a href="#">Commercial Strategy 2017-2020</a></p> <p><a href="#">HS2 Growth Strategy Sept 2017</a></p> <p>Revenue Budget and Medium Term Financial Strategy for 2019/20 as well as Capital Strategy , Asset Management Strategy and Treasury Management and Investment Strategies can be found <a href="#">through this link</a></p>
<p>Progress on delivering business plan targets, tasks and achievement of outcome indicators are regularly reported to councillors for scrutiny.</p> <p>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</p>	<p>Performance reporting to Policy and Performance Committee focuses on Critical Service Indicators (CSI) and financial information indicating variances from the expected position –</p> <p>Examples of regular performance monitoring to service committees focuses on achievement of agreed tasks and targets and monitoring of key performance indicators are shown below</p> <p><a href="#">Housing business plan</a> June 18</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 2018/19
data produced is of a sufficient standard	<a href="#">Business growth Dec 18</a>  <a href="#">Environment business plan Sept 18</a>  <a href="#">Resources Dec 18</a>
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>During 18/19 the Medium term financial strategy for 19/20 to 22/23 was reviewed and revised by Finance and Resources committee in Oct 18</p> <p><a href="#">Business strategy 19/20-22/23 and MTFS 19/20-22/23 Oct 18</a> ( item 29)</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"> <li>• Lean and fit in its assets, systems and processes</li> <li>• Customer focused in all its activities</li> <li>• Commercially-minded and financially viable</li> <li>• Making the best use of technology.</li> </ul>	<p><a href="#">The business strategy was revisited and revised in 2018/19 in October by Finance and resources Committee ( see following link)</a></p> <p><a href="#">Business strategy 19/20-22/23 and MTFS 19/20-22/23 Oct 18</a> ( item 29)</p> <p>The Business Strategy identified potential efficiencies and income generation opportunities amounting to around £500,000 during 2019/20 to help balance the budget.</p> <p>In addition the Council asked an LGA peer to come in to provide an external review of the council's financial position. The recommendations arising from this review were followed up and reported to the Finance and Resources Committee in Oct 18.</p> <p><a href="#">LGA review of Council finances July 18</a> (item 4)</p>
Councillors keep oversight throughout the year regarding whether financial performance is in accordance with the	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

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 2018/19
agreed budget framework	<a href="#">Out turn variances 18/19 July 18</a>
The Council has a strategic risk register which is regularly reviewed and reported to Governance, Audit and Standards Committee	<p>The Council's approach to identifying and quantifying strategic risks was reviewed and improved during the year. The report highlighting this to Governance and Audit committee s found at the link below</p> <p><a href="#">Strategic risk report Sept 18</a> ( item 19)</p> <p>All business plans have an integrated risk management section details can be seen from looking at the business plans links to which were provided earlier in this reports</p>

### Opportunities for further improvement:

1. Review and amend the Council's Constitution (July 19).
2. Develop a new Customer Service Strategy (Oct 19).
3. Develop a new House Building Delivery plan (June 19)
4. Develop a new Empty Homes strategy (Nov 19)
5. Update the Leisure Facilities Strategy (March 2020).
6. Adopt Local Plan Part 2 (Sept 19)
7. Continue to support the development of Neighbourhood Plans (March 20).
8. Further update the Business Strategy in preparation for the 2020/21/20 budget round.
9. Complete a new Housing Strategy
10. Complete a new Corporate plan.

**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 2018/19
<p>The Council takes time to analyse options in relation to major decisions</p>	<p>Examples of where the Council has taken time to consider options is</p> <p>(a) In relation to the future model for running the retirement living service, when a number of options were explored using external consultants HQN. The Housing committee report relevant to this issue is seen at the link below</p> <p><a href="#">Review of retirement living service June 18</a> ( item3)</p> <p>(b) The Council considered options for disposal of the Town Hall having invited expressions of interest from a range of community groups</p> <p><a href="#">Town Hall Beeston options July 18</a></p>
<p>The Council examines options for the future use of its assets in order to improve public value</p>	<p>In addition to the decision relating to the Town Hall Beeston, the Council decided to sell other surplus assets including Cavendish Lodge and the site of the old market in Beeston (transferred to the HRA for dementia friendly bungalow buildings). In addition, the Eastwood cemetery chapel was let under a private lease – this had previously been occupied by Council officers. Two residential units in Beeston Square were converted into office use. The Council owns the area covered by the phase 2 regeneration of Beeston Square and progress on the redevelopment of this space was made during the year</p>
<p>The Council considers the impact on customers when considering options to change patterns of service delivery</p>	<p>An example of how the Council considers the impact</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 2018/19
	<p>on residents of changes to service is the way the Housing committee considered in detail the responses of customers to the proposed change to the tenancy agreement</p> <p><a href="#">Tenancy agreement response to consultation Jan 19</a> ( item 48)</p>
The Council regularly revises and updates its proposals to achieve savings and generate additional income	The Business Strategy was updated in 2019 in preparation for the 2018/19 budget as was the Medium Term Financial Strategy (see previous link)
The Council is pro-active in tackling areas of poorer performance	<p>The Council considered the impact on rent collection of the advent of universal credit. The Finance and resources committee carefully considered the impact on a regular basis and agreed to additional staffing resources to tackle the issue. The result was that at the year end the amount of rent arrears outstanding actually improved on the performance of the previous year</p> <p><a href="#">Rents team restructure Dec 18</a> (Policy and Performance item 38.1)</p>
The Council has regard to external events and is pro-active in examining whether its arrangements respond to identified risks and threats	<p>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 keep safe</p> <p><a href="#">Grenfell response update Sept 18</a></p>
The Council is pro-active in identifying threats and risks to safety and works in partnership to mitigate these	Work within the S Notts community safety partnership develops and implements action plans to tackle safety risks such as knife crime action plan; Stapleford Action plan; Eastwood Action plan
The Council works with outside experts as well as internal and external stakeholders to identify	

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 2018/19
potential better ways of delivering services	<p><a href="#">External experts such as HQN ( retirement living review); LGA ( finance review) ; GL Hearn ( in relation to an affordable housing needs study) and consultants in relation to the Beeston Town Centre regeneration have been employed to ensure that the Council is well advised.</a></p> <p><a href="#">The Council works well with other district councils in relation to a range of shared services and through joint committees such as Bramcote bereavement committee and the economic prosperity committee</a></p>

### Opportunities for Further Improvement

1. Adopt a new House Building Delivery Plan
2. Consider commissioning an LGA peer review for the Council
3. Engage external experts to assist in the development of a refreshed leisure development strategy

### 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 2018/19
The structure and cost of service delivery is continually reviewed.	<p>A new management structure for the Council was approved during 18/19.</p> <p>There were other structural reviews including</p> <ul style="list-style-type: none"> <li>• Legal services</li> <li>• Independent living (Housing)</li> <li>• Repairs (Housing)</li> <li>• Rent collection (Housing)</li> <li>• The ending of the revenues and benefits shared</li> </ul>

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 2018/19
	<p>service and creation of a new head of service position for revenues and benefits and customer services</p> <p>Overall the cost base of the Council decreased as the Council reduced expenditure and increased income.</p>
The Council enhances its capacity, increases resilience and broadens access to skills Through sharing a range of services with neighbouring authorities	<p>An annual report is prepared each year on progress in delivering shared services, income generated and efficiencies secured</p> <p><a href="#">Shared services annual report Oct 18 (item 29)</a></p>
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	<p>Additional capacity has been employed to ensure the Council can administer the new HMO licensing regime.</p> <p>Additional capacity for the rent collection team has also already been mentioned.</p> <p>The Housing repairs service structure was reviewed and resulted in a new facilities compliance officer appointment position to put additional resources towards safety for tenants.</p> <p>As part of the retirement living review new activities co-coordinators to help organise activities for residents who live in independent schemes was agreed</p>
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	<p>The Council has invested in a new online Grant Thornton benchmarking tool which gives a greater degree of granular information about service issues</p> <p>Members of the Housing Committee received presentations on the results of Housemark benchmarking data before a planned session of the Housing Committee</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 2018/19
	<p>The main areas identified for potential improvement related to the costs of repairs, major works and void management</p> <p>The Council's environment services (waste and recycling ,street cleansing; leisure and grounds maintenance) benefit from benchmarking through APSE.</p>

**Opportunities for Further improvement**

1. Examine the Housing Repairs service to identify cost and quality improvements.

**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 2018/19
<p>The Council integrates risk management approaches into its performance management arrangements</p>	<p>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>
<p>The Council has a Strategic Risk Management Group that reports to GMT. The Governance, Audit and Standards Committee regularly consider and approve updates to the Strategic Risk Register.</p> <p>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.</p> <p>The Governance, Audit and Standards Committee has oversight and decision making responsibility for determining:</p> <ul style="list-style-type: none"> <li>• Internal Audit Plan and progress made with the plan</li> <li>• implementation of audit recommendations</li> <li>• Strategic Risk Register</li> </ul> <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</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 2018/19
<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 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>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 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><a href="#">Internal Audit Review of Effectiveness March 2018</a></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</p> <p>Flu Pandemic Plan</p> <p>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>

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 2018/19
<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/ corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. Any indications of potential benefits fraud 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>The Fraud and Corruption Prevention Policy and Money Laundering Prevention Policy were approved by the Governance, Audit and Standards Committee in March 2017 – <a href="#">Fraud &amp; Corruption Prevention and Money Laundering Prevention Policy March 2017</a></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 – <a href="#">Counter Fraud and Corruption Annual Report March 2018</a></p> <p>Data matching exercises are undertaken by the National Fraud Initiative (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 introducing the Fraud and Error Reduction Incentive Scheme (FERIS) approach and a risk-based assessment framework for benefits applications, including the Local Council Tax Support Scheme, for which the Council remains fully accountable</p>
<p>Chief Officers are required to prepare an annual statement of compliance with internal control stating compliance with the law and approved policy</p>	<p>An annual Statement of Internal Control has been prepared by each Chief Officer</p>
<p>The Council has information governance arrangements in place including safe collection, storage, use and sharing of data. A suite of online information management products have been developed and are required to be completed by employees at various levels. Comprehensive Information Management Policies are in place</p>	<p>Information Management Policies ( internal documents)</p> <p>The Council has a full time dedicated Information Governance Officer was appointed (previously the role was part time). The GDPR action plan was implemented to ensure compliance.</p> <p>An online GDPR employee training product was developed, rolled out and completed by all employees.</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 2018/19
The Council is proactive in tackling threats to performance (e.g. income management)	<p>Reports are made regularly 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 – <a href="#">Food Safety Audit Action Plan</a></p> <p><a href="#">Community Safety Committee March 2018</a> (P7)</p>

### Opportunities for Further Improvement

1. 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 2018/19
The Council complies with its obligation to produce a Publication Scheme	The Publication Scheme was reviewed and updated – <a href="#">Publication Scheme</a>
The Council publishes data in a transparent way which is accessible through the website	<a href="#">Open data website link</a>
The Council reports annually on performance and financial stewardship through a newsletter which goes to every household in Broxtowe	<p>The Annual Report was sent to every household through the Broxtowe Matters publication in 2017/18 and placed on the Council's website – <a href="#">Annual Report Autumn 2017-</a></p> <p>the 18/19 newsletter is awaiting distribution having been delayed on account of the pre-election period</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 2018/19
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 below.
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 – <a href="#">Internal audit progress report March 2019</a>
The Council welcomes peer challenge and other forms of external review of service delivery	<p>An external review of the Retirement Living service was conducted in 2017/18 – <a href="#">Review of Retirement Living Service March 2018</a>.</p> <p>An LGA review of finances was presented to Finance and Resources Committee in April 2018 – <a href="#">LGA review of finances</a></p>

### 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 2018/19 has provided the Council with **substantial 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.

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.

**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*).

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

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> <li>• Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Strategic Director</li> <li>• Financial standing orders within constitution</li> <li>• Contract standing orders within constitution</li> <li>• Fraud Prevention Policy</li> <li>• Treasury Management policy</li> <li>• Business Continuity Plans</li> <li>• Whistleblowing Policy</li> <li>• Strategic Risk Register</li> <li>• Risk Management Policy</li> <li>• Health &amp; Safety Policy; Procedures; Health &amp; Safety Group</li> <li>• Information Management Arrangements</li> <li>• Staff engagement exercises</li> <li>• Complaints and compliments procedure</li> <li>• Licensing and Appeals Committee (employment and grievance appeals)</li> <li>• Statement of Internal Control (SIC)</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Strategic Director</li> <li>• Questions to Committee chairs at Council meetings</li> <li>• Member code of conduct</li> <li>• Reports at Council by Members of Outside Bodies at Council meetings</li> <li>• Ward Member reports at Council meetings</li> <li>• Public Consultations</li> <li>• Register of Members Interests</li> <li>• Community Action Team Meetings</li> <li>• Declaration of interests at all meetings</li> <li>• Protocol for Councillor/Officer Relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Communications strategy 2018-21</li> <li>• Open Data</li> <li>• Transparency framework</li> <li>• Publication scheme</li> <li>• Publication of Committee decisions</li> <li>• Tenant and Leaseholder Matters</li> <li>• Broxtowe Parks Standard</li> <li>• Public satisfaction surveys</li> <li>• External audit annual letter to Governance at Audit committee</li> <li>• Internal and external audit progress reports at Governance and Audit Committee</li> <li>• Periodic external inspections e.g. EFLG/IIP/IIE/LGA</li> <li>• Peer review</li> <li>• Benchmarking through APSE/ CIPFA/SOCITIM/ Housemark</li> <li>• Finance Data online</li> <li>• Licensing and Appeals Committee ( Taxi, alcohol, licensing matters)</li> <li>• Commenting on Planning applications and speaking to Planning Committee</li> </ul>

#### 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.

- 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 2018/19 and an annual report highlighting the value of these arrangements was presented to the Policy and Performance Committee in Oct 2018.

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

There were no elections in 2018/19. A full Borough and Parish election took place on 2<sup>nd</sup> May. The Council participated in a pilot voter ID exercise as part of these elections.

1.11. Statutory Officers

The Council's statutory officers are the Chief Executive (as the 'Head of Paid Service'), the Deputy Chief Executive (as the 'Section 151 Officer') and the Interim Monitoring Officer. All three officers are members of the General Management Team (GMT) 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 (GMT) 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 Deputy Chief Executive is the appointed Section 151 Officer and is a key member of 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 (2016).

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 2018/19 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 2019/20.

#### 1.12. Internal Audit

The Chief Audit and Control Officer is the Council's designated 'Head of Internal Audit' and is under the management of the Deputy Chief Executive. Whilst the Chief Audit and Control Officer is not a member of GMT, 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 their 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 final accounts preparation.

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 is 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. Further communicate, embed and reinforce the Council's values and ethical standards through conducting ethical workshops for employees in 2018/19.	Ethical workshops were held at Senior Management Team (SMT) in February and March 2019 focusing on issues including integrity. Senior managers will be engaged with other Nolan principles during 2019/20.
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.	On line training module for new Code of Conduct rolled out to all employees.
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.	The interim Procurement and Contracts Officer will continue to lead efforts to improve this in 2019/20.
4. Conduct a learning disabilities customer journey to understand the experience of people with learning disabilities in interacting with Council services.	Customer learning journey for people with learning disabilities in progress in Housing Department.
5. Set up a task and finish group to explore the experience of people with mental health difficulties in interacting with Council services.	Task and finish group met and reported its recommendations to Policy and Performance Committee on 12 December 2018.
6. Conduct a budget consultation with	Budget consultation concluded in November 2018 and reported as part of the

Action	Progress
residents in 2018/19.	2019/20 budget setting cycle.
7. Further update the Business Strategy in preparation for the 2019/20 budget round.	Business Strategy updated and reported to Finance and Resources Committee on 11 October 2018.
8. Continue to work with the local community regarding the future of the Town Hall in Beeston.	Bid from Cornerstone/Redeemer Church accepted by Council on 17 October 2018.
9. Engage and consult the community regarding the future of Beeston Town Centre.	Planning application approved by Planning Committee on 12 September 2018.
10. Develop a new Communications and Engagement Strategy.	New Communications and Engagement Strategy approved by Policy and Performance Committee on 4 July 2018.
11. Review and amend the Council's Constitution.	In progress. Council Procedure Rules updated and approved at Council on 18 July 2018.
12. Develop a new Customer Service Strategy.	In progress.
13. Approve a new Contaminated Land Strategy.	Contaminated Land Inspection Strategy approved by Leisure and Environment Committee on 28 March 2018.
14. Update the Leisure Facilities Strategy.	A condition survey for Bramcote leisure centre was completed as the first step on this process. The strategy will be completed in 19/20
15. Adopt the Local Plan Part 2 and submit for examination.	Part 2 Local Plan approved by Council on 18 July 2018 and submitted for examination during December 2018.  Inspectors report received and modifications to be advertised for consultation during June/July 2019 before going to Council on 16 October 2019 for adoption.
16. Continue to support the development of Neighbourhood Plans.	First Neighbourhood Plan referendum for Nuthall was held on 13 December 2018 and approval received.
17. Adopt a new House Building	House Building Delivery Plan report was

Action	Progress
Delivery Plan having received advice from selected experts.	completed and adopted by Housing Committee on 4 December 2018. More detailed delivery arrangements are to be presented to Housing Committee on 5 June 2019.
18. Report back the consultation results of the Retirement Living review options and adopt an option for implementation.	Results of review presented to Housing Committee on 6 June 2018 and an option approved for implementation.
19. Continue preparations for the introduction of Universal Credit in November 2018 in partnership with the relevant agencies.	Proposals for new staffing arrangements for the Rents team and their re-location to the Housing Department approved by Policy and Performance Committee on 12 December 2018.
20. Receive community led bids regarding the future of the Town Hall in Beeston Town Hall and agree a way forward.	Community proposals presented to Policy and Performance Committee on 4 July 2018 with final decision made by Council on 17 October 2018.
21. Review and potentially extend the Council's approach to sharing services.	Shared Services Annual Report presented to Policy and Performance Committee on 3 October 2018.  Proposal to withdraw from Revenues and Benefits shared management service agreement approved by Policy and Performance Committee on 12 December 2018.
22. Adopt a new People Strategy.	New People Strategy approved by Policy and Performance Committee on 12 December 2018.
23. Examine further the Housing Repairs service to identify cost and quality improvements.	In progress.  New structure for Housing Repairs approved by Policy and Performance Committee on 3 October 2018.  Capita upgrade implemented in December 2018.
24. Review and implement recommendations consequent upon an external review of the Council's financial position.	Response to recommendations of the external review of the Council's financial position presented to Finance and Resources Committee on 12 July 2018.
25. Consider opportunities for a peer	Deferred until after the Borough elections

Action	Progress
review of the Council or a service area later in 2018/19.	on 2 May 2019.
26. Implement the GDPR Action Plan.	Completed.
27. Complete a fraud risk assessment exercise in 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.	<p>Fraud and Corruption Prevention Policy approved by Governance, Audit and Standards Committee on 27 March 2017.</p> <p>Annual Counter Fraud Report 2017 presented to Governance, Audit and Standards Committee on 26 March 2018.</p> <p>Fraud risk assessment and development of a fraud risk register scheduled for completion by 31 July 2019.</p> <p>Internal Audit continues to raise awareness of fraud risk in all areas of the Council's operations through assurance work and the circulation of fraud awareness emails.</p> <p>Work to develop web-pages (intranet/ internet) and an eLearning package on fraud awareness is ongoing.</p> <p>Internal Audit co-ordinates the investigation of NFI data matching and were a partner in the NFI Business Rates pilot.</p>
28. Integrate the requirements of the code into our governance checks for shared service arrangements.	In progress
29. Improve the comparability of information in financial statements with other similar organisations.	In progress

### Significant Governance Issues – Action Plan

Action	Lead Officers/Target Date
2. Continue the programme of ethical workshops for SMT in 2019/20.	Chief Executive May19-March 20
3. Improve the monitoring of the ethical standards demonstrated by external providers of services.	Interim procurement Officer May19-March 20
4. Complete the learning disabilities customer journey to understand the experience of people	Head of Public Protection March 2020

with learning disabilities in interacting with Council services.	Deputy Chief Executive Autumn 2019
5. Conduct budget consultation with residents in 2019/20 for the budget 2020/21	
6. Engage and consult the community regarding the future of Stapleford Centre.	Head of Planning May19- March 2020
7. Review and amend the Council's Constitution	Monitoring Officer (July 19).
8. Develop a new Customer Service Strategy	Head of revenues Benefits and Customer services Oct 19
9. Adopt a new House Building Delivery plan	Head of Housing ( June 19)
10. Develop a new Empty Homes strategy	Head of Public Protection ( Nov 19)
11. Update the Leisure Facilities Strategy	Deputy Chief Executive march 2020
12. Adopt Local Plan Part 2	Head of Planning Sept 19
13. Continue to support the development of Neighbourhood Plans	Head of Planning March 2020
14. Further update the Business Strategy in preparation for the 2020/21/20 budget round.	Deputy Chief Executive July 2019
15. Complete a new stock condition survey; a new Housing Strategy and a new asset management plan for Housing	March 2020
16. Complete a new Corporate plan.	Chief Executive December 2019
17. Consider commissioning an LGA peer review for the Council	Chief Executive September 2019
18. Examine the Housing Repairs service to identify cost and quality improvements.	Head of Housing march 2020
19. Complete a fraud risk assessment exercise taking into account published guidance from central	Head of Finance March

government, CIPFA, National Fraud Initiative (NFI) and other relevant organisations and develop a fraud risk register to identify fraud risks.	2020
20. Integrate the requirements of the code into our governance checks for shared service arrangements.	Chief Executive Oct 2019
21. Improve the comparability of information in financial statements with other similar organisations.	Deputy Chief Executive Dec 19

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.

**Leader of the Council  
Broxtowe Borough Council  
22 July 2019**

**R Hyde  
Chief Executive  
Broxtowe Borough Council  
21 May 2019**