

## **Annual Governance Statement 2016-17**

### **1. What is governance?**

1.1. Governance is about how your local authority ensures it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, transparent and accountable manner. Thus we need to ensure that in everything we do we are providing:

- Effective leadership for and with the community (residents, business and visitors), ensuring that business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for;
- Delivering high quality local services that meet the needs of the community, prioritising the need to protect and support local people but ensuring the best use of the finite money available; and
- Building a strong sense of community to encourage the people of Wellingborough to play a full and constructive part in the lives and development of their communities.

### **2. What are we responsible for?**

2.1. The Borough Council of Wellingborough is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded and properly accounted for.

2.2. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

2.3. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs including internal control, to facilitate the effective exercise of its functions, which includes arrangements for the management of risk.

### **3. How does the Borough Council of Wellingborough strive for excellent governance?**

3.1. The council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

3.2. This Annual Governance Statement sets out how the council has complied with this Code and also meets the requirement of regulation 6(2) of the Accounts and Audit (England) Regulations 2015, and accompanies the 2016-17 Statement of Accounts of the Council.

3.3. A copy of the authority's code can be obtained from the Council Offices at Swanspool House, Doddington Road, Wellingborough NN8 1BP and forms part of the Council's Constitution which is available on the council's website.

3.4. The Annual Governance Statement will be subject to detailed review by the Audit Committee when it considers the Statement of Accounts.

3.5. The issues identified as a significant governance issue and the progress made by management throughout the financial year to address these issues will be reviewed regularly with an assessment of the progress made in reducing the risk as part of the governance within the council.

**4. How does the Borough Council of Wellingborough measure good governance?**

4.1. The council manages its governance arrangements through systems, processes, culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

4.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the council's policies, aims and objectives,
- evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

4.3. The governance framework has been in place at the Borough Council of Wellingborough for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

**5. Reviewing the effectiveness of our framework**

5.1. The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control.

5.2. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor, and also by comments made by the external auditors and other review agencies and inspectorates.

5.3. Issues identified in the 2015-16 Annual Governance Statement and the management action to reduce the risk have been reviewed by senior managers at their regular meetings. These reviews have also included new issues for consideration.

5.4. The council's control environment encompasses the strategies, policies, plans, procedures, structures, processes, attitudes, behaviour and actions required to deliver good governance for the citizens of Wellingborough.

5.5. To monitor and check progress we therefore assess ourselves against seven core principles, the first six being those set out in the national guidance for local authorities by CIPFA. The seventh is not a core principle set out by CIPFA, however it is considered so key to the council's future development and governance that we have taken the decision to comment on this area separately:

1. Do we have a clear and effective vision that focuses on improving the key outcomes for our community (residents, business and visitors)?
2. Do our members and officers work together effectively to achieve that vision and those improved outcomes?
3. Do we have values that promote high standards of conduct and behaviour, and do we uphold these?
4. Do we take informed and transparent decisions that are subject to effective scrutiny and manage risk?
5. Do we have the capacity and capability at member and officers levels to be effective in delivering our vision and services?
6. Do we engage with local people and other stakeholders to ensure robust public accountability?
7. Do we manage our finances well?

## **6. So, how are we doing?**

The key ways in which the council secures good governance are set out below against each of the core principles we measure ourselves against.

### ***6.1. Do we have a clear and effective vision that focuses on improving the key outcomes for our community (residents, business and visitors)?***

#### **Communicating the Authority's Vision**

- 6.1.1. The council's current strategic priorities are set out in the Corporate Plan. The last substantive review of the Corporate Plan was done in 2010 and the plan for 2011-14 produced. Since that time no major refreshes of the plan have taken place but the strategic priorities and vision remained in place.
- 6.1.2. The council's Corporate Plan is undergoing a major refresh during 2017-18 with the corporate priorities and vision continuing to support the council's agenda.
- 6.1.3. The Housing Plan 2013-2018 combines three strategies; the statutory homelessness and tenancy strategies and the housing strategy, into one succinct Housing Plan for the borough. It's objectives are :-
  - Ensuring accommodation which is decent and efficient, and is available for the people of the borough of Wellingborough
  - Promoting and delivering sustainable communities
  - Reducing the incidences of homelessness

6.1.4. Key links with the council's other policies and strategies to deliver outcomes are:

- North Northamptonshire Joint Core Strategy and Local Plan
- Housing Allocations Policy 2012
- Private Sector Housing Policy 2014-2019

6.1.5. The council, as part of a Joint Planning Unit with three other councils has updated the North Northants Core Spatial Strategy (part 1) which was adopted in July 2016 and is currently in the process of preparing the Plan for the Borough of Wellingborough (part 2) for consultation and submission to the Secretary of State. Together both parts make up the local plan, which details how the area will grow up to 2031. The local plan provides information about how the borough intends to grow and where major development will take place adoption of this plan is likely to be at the end of 2018.

6.1.6. One of the council's priority development sites is the Stanton Cross sustainable urban extension to the east of Wellingborough town. This development will provide a new railway station and transport hub, schools, open space, 3,650 new homes and approximately 3,000 jobs for the area. St Modwen have entered into a contract with Bovis Homes to deliver the commercial development at Stanton Cross. Development has commenced on site to provide the necessary infrastructure and construction of residential units is due to commence before the end of the year.

6.1.7. A further priority development site is the urban extension area to the north of Wellingborough (Glenvale Park) which will provide approximately another 3000 houses and around 1650 jobs. Advanced discussions are taking place with a number of national house builders and reserved matters applications are due to be submitted later this year.

6.1.8. The development of a strategic employment site, Appleby Lodge has also commenced on site to provide the necessary infrastructure required. This site is located adjacent to the existing Park Farm Industrial Estate and will provide 285,791 m<sup>2</sup> of employment space and 2500 jobs over 15 years.

6.1.9. These three developments will help the borough to deliver both much needed employment and housing accommodation for its residents as well as leisure and other facilities delivered via the local plan, planning applications and through the establishment of the joint delivery unit.

6.1.10. The service performance management system has been revised, with performance indicators reviewed periodically to reflect the council's priorities and resources. For those areas that show a continued performance below target a performance improvement plan is established and monitored by senior managers to ensure that the performance is brought back to an acceptable level. The corporate indicators will be reviewed alongside the development of a refreshed Corporate Plan.

**6.2. Do our members and officers work together effectively to achieve that vision and those improved outcomes?**

- 6.2.1. The roles and responsibilities of the council, chairmen and committees are set out in our Constitution. Putting these into practice is supported by: the Members Code of Conduct and the Protocol for Member/Officer Relations; the various codes of practice and policies referred to in the local code of governance; and training and development for members and officers. These codes/policies and the Constitution are regularly reviewed to ensure they continue to be fit for purpose to deliver our vision. The members' code of conduct was last reviewed in 2012-13.
- 6.2.2. The constitution will be reviewed in 2017-18 to ensure that it is up to date on legislative requirements and reflects best practice. An external review has been requested and once this has been completed the Constitution Working Party will be convened to take this forward.
- 6.2.3. The senior management team meets regularly with the Leader and Deputy Leader of the council and the Leader and Deputy Leader of the Opposition. The Leader of the Council is responsible for carrying out the Managing Director's annual appraisal. This takes account of the strategic objectives and in turns cascaded down to employees. Senior Management Team (SMT) monitors performance, risk and other matters which are relevant to the effectiveness of the council.
- 6.2.4. The council has reviewed and implemented changes to its senior management structure to ensure that the management team remained fit for purpose and of the appropriate size for the authority. The role of Chief Executive has been replaced in April 2017 with that of Managing Director, supported by two directors. The management structure will be kept under review as the size of the authority and service delivery models it chooses adapt to the changing priorities of modern local government.
- 6.2.5. The council continued with its successful budgetary approach to challenging the value for money and performance of all services. This was also designed to ensure that the council could demonstrate the ability to deliver a sustainable budget and allow the council to deliver services with a reduced work force. Both members and officers were actively engaged throughout this process in both challenging and making decisions as to the future shape of the council.
- 6.2.6. The Democratic Services team provides capacity for members, ensuring reports are distributed on time and any briefings requested are actioned. The Democratic Services team also provides opportunities for members in respect of personal and professional development. The member development programme provides training for individual needs and to meet the needs of the council. Related to this is the ongoing programme of member/officer joint development. This underpins the successful working relationship which continues to develop between members and officers.
- 6.2.7. We review each year our appointments to partnerships and outside bodies and organisations. 'Lead members' are appointed to improve and develop key interest, priorities and engagement with relevant partners and organisations.

6.2.8. For each significant partnership there is clarity as to: the partnership's purpose; the role of each partner; the role of partnership board members; line management responsibility for staff supporting the partnership; arrangements for funding and financial management; the handling of disputes and bringing the partnership to an end.

6.2.9. A good example to demonstrate this is the work officers and members do together to deliver the priorities identified in the housing plan and those identified through the Wellingborough health and wellbeing Forum. They do this through working with stakeholders from both the statutory and voluntary sector at the Wellingborough housing forum and housing strategy events lead by the council.

6.2.10. The Wellingborough health and wellbeing forum has a lead council member for health and the forum is working to improve health outcomes for residents, and directing the work of the Wellingborough housing forum.

6.2.11. A recent achievement of joint partnership working has been an improved discharge procedure between the hospital and the council's homeless service, ensuring there are joint meetings for complex housing cases prior to discharge and senior officer liaison.

**6.3. Do we have values that promote high standards of conduct and behaviour, and do we uphold these?**

6.3.1. The council articulated its values in its Corporate Business Plan as:

- Leading by example
- Setting high standards
- Open and honest
- Focusing on performance

6.3.2. The council has core competencies for all employees with themes of Leadership, Performance and Engagement. Employees are set targets linked to these themes in conjunction with the council's strategic priorities, and the competencies are also used in recruitment.

6.3.3. Through the member and employee code of conduct, and the regular meetings between the Leader, Deputy Leader and the senior management team and the Leader and Deputy Leader of the Opposition and the Senior Management team, the council seeks to create the desired organisational climate.

6.3.4. The senior management team hold regular all staff meetings throughout the year, occasionally attended by the Leader of the council, in which they clearly set out the vision of the council.

6.3.5. We have an e-learning system for officers which councillors who prefer this way of learning are also able to access. Learning Pool holds a wide range of courses which are designed to supplement on-the-job and external training requirements.

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- 6.3.6. An effective Personal Development Review (PDR) process (or appraisal) is in place across the entire organisation. Through this and other mechanisms, such as one to one and team meetings, employees are reminded of the objectives of the authority, and the behaviours expected. This process has become embedded in the authority.
- 6.3.7. The council has continued to participate in the National Fraud Initiative. This involves providing basic data once a year to the Audit Commission for matching so it can be compared to information provided by other public bodies responsible for auditing or administering public funds, in order to prevent and detect fraud.
- 6.3.8. Our internal audit function has continued to work to a strict programme which is reviewed and its progress is reported to members.
- 6.3.9. The council adopted a new Equality Objective in April 2016 and publishes information annually that sets out how we deliver on equality and diversity through our services, and how we promote equality of opportunity for all people in the borough.
- 6.3.10. As part of the transparency agenda, the council publishes details of all transactions over £500 and has continued to maintain a register of interests and hospitality. Employees were also reminded of their duties in relation to the register.
- 6.3.11. The transparency of the council's transactions was further enhanced as work towards new transparency requirements progresses. The public website was upgraded to allow access to key information in open data formats for ease of use. This is in line with the central government's policy to make local councils more accountable to the public.
- 6.3.12. We have both a member code of conduct and an officer code of conduct. Compliance is supported by member/officer induction, training and development, and appropriate complaints, grievance and disciplinary procedures. Other policies on areas such as procurement and fraud and corruption also contain guidelines on ethical behaviour. In addition, officers are instructed at their induction, and reminded periodically, of their obligations in respect of combating fraud and corruption, and offers of hospitality etc. Internal Audit carry out regular spot checks to assess compliance.
- 6.3.13. A strong ethical and performance framework is in place to enable officers and Members of the Council to operate effectively in their respective roles, which allows the pursuit of excellence in service delivery. The council has a formalised Counter Fraud Policy, which includes an Anti-Fraud and Anti-Corruption Strategy, and a Whistle Blowing Policy
- 6.3.14. The Whistleblowing Policy provides a framework for employees and members of the public, including contractors, to raise matters such as suspicion of fraud, corruption, misconduct or wrongdoing by workers or officers, in a confidential manner with the council. The policy was reviewed and updated in 2014 taking in to account legislative changes.
- 6.3.15. In addition a formal complaints policy exists to deal with other matters of public concern regarding the services provided by the council.

- 6.3.16. Performance management continues to be reflected in the culture of the organisation: Personal Development Reviews for employees are now embedded into the council's management arrangements, with personal targets and development plans being linked to objectives in service plans.
- 6.3.17. The council continues to monitor compliments, comments and complaints from customers, including those from the Ombudsman. These are reported to members and learning points are identified and acted on.
- 6.3.18. Periodic employee surveys are carried out to identify areas of improvement and those requiring improvement. The survey of 2014 received a 45% return rate and identified a number of positive improvements against the previous survey, as well as a small number of action points that were progressed during 2015. The survey will be repeated in the Autumn of 2017.
- 6.3.19. Although no longer a statutory requirement, the council has retained a standards committee to assist it in promoting and maintaining high standards of conduct on the part of its members. As further demonstration of its commitment to high standards of ethical governance a member of the opposition group has been appointed as vice-chairman of the standards committee.

***6.4. Do we take informed and transparent decisions that are subject to effective scrutiny and manage risk?***

**Facilitation of Policy and Decision Making**

- 6.4.1. The Council has agreed a Constitution that sets out how it operates, how decisions are made, and the procedures that are followed to ensure that these are efficient, proportionate, transparent and accountable. This Constitution is regularly reviewed. The next full review will take place in the summer of 2017.
- 6.4.2. Continual review led by the Head of Legal Services (and Monitoring Officer) ensures it remains fit for purpose. The Constitution sets out the delegated responsibilities for the Council, Committees, and the powers that are delegated to key Officers. A Constitution Working Party has been put in place for 2017-18 to fully review the constitution.
- 6.4.3. The scheme of delegation clearly sets out the levels at which decisions can be made.
- 6.4.4. The council's Constitution sets out clear mechanisms for documenting evidence for key decisions and recording the criteria, rationale and considerations on which decisions are based. This also includes a Scheme of Delegation, approved by Council.
- 6.4.5. The Constitution provides for the use of Urgent Actions when it is urgently needed and cannot be reasonably delayed for a decision of the Council, or any Committee, the relevant Head of Service shall be authorised to take appropriate action. This action may only be taken after consulting the Chairman of the relevant policy committee or, in their absence, their Vice-Chairman, and the Chairman of the Resources Committee (or in their absence, their Vice-Chairman) in the case of a

matter which has financial implications. The matter must be reported to the next meeting of the relevant policy committee concerned. This is only done in exceptional circumstances.

- 6.4.6. The council has a standard template for reports to committee and Council. This ensures consistency in the presentation of information to members. All reports to committee set out the legal and financial implications, plus risks and equalities implications, for all decisions. These implications are informed by professional legal and financial advice. The council has developed and maintains open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- 6.4.7. Report authors usually attend committee and other meetings at which their reports are being discussed so that members' questions and requests for clarification can be dealt with at the time decisions are being made. In addition, we provide our members with briefing notes on a wide variety of issues to help inform their decision making.
- 6.4.8. Member advisory groups have also been created to consider key topics and special projects such as the Castle Theatre and reviewing the council's Constitution. In 2016-17 a number of new groups were set up as follows:
- The Town Centre Regeneration Working Group
  - The Castle Advisory Group
- 6.4.9. The council provides well-used opportunities for individual members of the community to speak at committees or council, and has arrangements to receive petitions.
- 6.4.10. We also involved residents by undertaking a budget consultation exercise, its savings targets and plans for addressing them.
- 6.4.11. All meetings of the Council and Committees are included in the Council's Forward Plan, which is publicised and available to the public.

### **Clear Management Accountability**

- 6.4.12. The Council is managed by a committee system as set out in the agreed Council Constitution, which sets out the scheme of delegation between elected Members and Officers. Members of the committees are held to account by a system of Scrutiny which is also set out in the Constitution.
- 6.4.13. Within the Scrutiny arrangements there exists the facility for committee decisions to be called in by members who are not part of the committee. In the financial year 2016-17 no decisions made were subject to call in.
- 6.4.14. There are also two independent committees which undertake important roles in holding both Members and Officers to account:
- The Standards Committee which reviews the conduct of elected Members
  - The Audit Committee which reviews matters of financial administration, internal control and approving the final audited accounts of the Council.

- 6.4.15. Where appropriate key issues considered by these Committees have been reported to full Council.
- 6.4.16. The implementation of the agreed policies at officer level is led by the Senior Management Team. This consists of the Managing Director and Directors (including those who are the Statutory Officers such as the Section 151 Officer). The role of Monitoring Officer is undertaken by the Head of District Law on a shared basis with Kettering Borough Council. The Monitoring Officer is kept informed of policies and involved in the implementation and review as necessary. The role of Monitoring Officer will be taken on by one of the Directors later in 2017.
- 6.4.17. This ensures that the key Statutory Officers are represented at the most Senior Level. The Head of Internal Audit and the Managing Director of Wellingborough Norse also have regular update sessions with the senior management team.
- 6.4.18. This is supported by Service Management teams which meet on a regular basis to devolve the agreed policy of the Council at an operational level.

#### **Corporate Governance and the Audit Committee**

- 6.4.19. The council maintains Corporate Governance through Internal Audit, the Counter Fraud policy, Risk Management and Insurance.
- 6.4.20. A number of changes to financial procedures in previous years have resulted in the external auditors appointed to the council being able to make greater use of the work done by Internal Audit.
- 6.4.21. Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control and, where relevant, making recommendations for improvement. Internal Audit subsequently checks the implementation of recommendations.
- 6.4.22. The council has an Audit Committee, formed to deal with all financial matters, including the Statement of Accounts and monitoring of the Annual Governance Statement.
- 6.4.23. The Audit Plan is reported to the Audit Committee on an annual basis in advance of the financial year along with regular reports on the progress made throughout the year.
- 6.4.24. The Audit Committee meets three times a year, to receive the reports of both Internal and External Audit

#### **Ensuring Compliance with Established Policies, Procedures, Laws and Regulations**

- 6.4.25. Senior managers are responsible for ensuring that they establish and maintain effective systems of internal control, complying with legislation, the Council's Constitution and procurement and Financial Procedure Rules. This includes responding to recommendations by Internal Audit.
- 6.4.26. The respective roles of the Section 151 Officer and the Monitoring Officer ensure legality, financial prudence, and transparency in transactions.

- 6.4.27. The council has an approved Risk Management Strategy that enables it to effectively assist the achievement of its objectives, alongside local performance indicators.
- 6.4.28. The Corporate Risk Register has become an integral part to support the production of the Corporate Plan. The Corporate Risk Register is subject to review by the Resources Committee and was last presented in March 2016. It will be presented again in September 2017.
- 6.4.29. The Annual Governance Statement is supported by key risk registers such as that developed for current council projects and a detailed assessment of the issues considered for inclusion. The S151 Officer has consulted with all senior managers to assess what should be considered for inclusion in the Annual Governance Statement
- 6.4.30. The council also places reliance on external assurance providers, such as external audit, and any recommendations arising are acted upon and monitored.
- 6.4.31. The council has a public complaints procedure that allows the Local Government Ombudsman to investigate and report its findings. This ensures that improvements can be made to processes to prevent occurrences being repeated.
- 6.4.32. The Standards and Audit Committees both ensure high levels of good governance, ethical behaviour and transparency throughout the Council's processes for both members and officers.

**6.5. Do we have the capacity and capability at member and officers levels to be effective in delivering our vision and services?**

- 6.5.1. The council is committed to developing the skills of both Members and Officers in order to enable a continuous improvement in the services provided.
- 6.5.2. All officers are covered by the Personal Development Review framework which ensures that their performance, potential and their development needs are reviewed on a regular basis.
- 6.5.3. A full training programme for both established and newly elected members has been developed within the council to ensure they have all the necessary skills and legislative training to discharge their duties.
- 6.5.4. The content of the programme changes each year but is primarily focused on the core skills and new thinking required for councillors to deliver their role both now and in the future. Three members attended the LGA Leadership Academy this year. Other training focussed on planning and licencing. This programme is supported by ad hoc specialist training as and when required.
- 6.5.5. The council regularly reviews its people strategies to ensure the organisation has the appropriate people infrastructure in place together with a capable and engaged workforce, motivated to deliver our services.
- 6.5.6. In terms of financial capacity, Wellingborough has approximately £4.0m in General Reserves and £3.2m in Ear marked Reserves as at 31 March 2017. Members took the decision to approve the use of £0.619m approx.

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of reserves to support the budget for 2016-17. At the end of the financial year £0.530k was needed to support the budget as more proactive budget management and income generation practices become embedded.

- 6.5.7. The future use of reserves and the need to find further budget savings will be developed as part of the Medium Term Financial Plan and agreed for future years as part of the annual budget setting process.
- 6.5.8. The council will ensure its governance arrangements remain effective and roles and responsibilities continue to be delivered while changes are made to structures and processes, and until new arrangements are properly embedded.
- 6.5.9. This includes ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010) and its assurance arrangements are in line with the CIPFA statement on the Role of the Chief Internal Auditor (2010). It also includes having effective arrangements in place for the function of the Monitoring Officer.
- 6.5.10. The council has a computerised absence management system. This helps to manage sickness absence in accordance with our policy and assists managers in identifying areas of concern which need addressing as well as recording the support given/offered to employees. The same system records all types of absence to provide an overview for managers to help them plan and manage their teams effectively.
- 6.5.11. The council's level of short term sickness absence increased during 2016-17, mainly due to viral infections and stomach complaints. The year has seen some heavy and persistent virus' which have contributed to this. Longer term sickness, however, has seen a significant improvement. Managers and Human Resources worked closely with employees to support them with their health and well-being. Other support mechanisms that were provided include: counselling, CBT, phased returns, temporary role adjustments and occupational health advice. In addition to this a more focussed approach to the 'well-being commitment' was pursued and where short term absence was virus related, reminders about the importance of not attending work while contagious and the use of anti bacterial gel in communal areas was promoted.
- 6.5.12. The council has an induction process for members and employees, and there are opportunities to develop and update skills and knowledge via training and briefings in specific areas of activity. The corporate learning and development programme is now managed centrally by the Organisational Development service, and is driven by the PDR process. Associated to this there has also been workforce development planning to ensure we have the right people in the right job with the right skills; this has informed a corporate learning and development plan. In addition, the authority recognises that people have different learning styles and offers a variety of learning methods such as classroom and e-learning.

**6.6. Do we engage with local people and other stakeholders to ensure robust public accountability?**

- 6.6.1. The council is committed to community engagement and consultation. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services. In 2016 the council began a joint venture with Northamptonshire County Council and other public service providers and created a Residents Panel of local residents who are willing to be consulted with on a variety of issues that affect the borough.
- 6.6.2. The council currently delivers a wide range of services, which often involve working in partnership with others.
- 6.6.3. The council prides itself on its partnership success and has shared services for legal services (with Kettering Borough Council and Daventry District Council) and the ICT Partnership (with East Northants Council). There is also a Joint Planning Unit hosted by East Northamptonshire Council, which Wellingborough contributes to. The Joint Delivery Unit is hosted by the Borough Council of Wellingborough
- 6.6.4. The internal audit services for the Borough are delivered by CWaudit Services, who are a well-established public sector audit partnership with extensive experience, particularly in health care.
- 6.6.5. The council also has an interest in the Wellingborough Town Team and the Northamptonshire Waste Partnership.
- 6.6.6. The council established a joint venture with Norse, a company owned by Norfolk County Council, in February 2012. This company, known as Wellingborough Norse, provides services previously carried out in-house by our Amenity Services and Facilities Management services. This arrangement not only offers us a cost saving, but also provides a potential revenue stream in the future as the new entity will be well placed to offer its services to other public authorities and private sector customers.
- 6.6.7. It is a requirement of the Code of Practice on Local Authority Accounting in the United Kingdom that, "Where an authority is in a group relationship with other entities and undertakes significant activities through the group, the review of the effectiveness of the system of internal control should include its group activities."
- 6.6.8. Internal Audit undertakes audits of Wellingborough Norse at the request of the S151 Officer
- 6.6.9. In order to provide ourselves with sufficient capacity and capability in the future and meet our savings target, we will look to further identify areas where collaborative or partnership working should be explored.
- 6.6.10. Our website is under constant review and has been recently upgraded further. This makes it easier for members of the public to access on-line services and readily find information.
- 6.6.11. The council has a published compliments, comments and complaints procedure, details of which can be found on the website and at the reception desks in the council's offices.

- 6.6.12. The council's relationship with the local media has continued to strengthen. This has ensured that the council has managed its public image and media exposure in a proactive way.
- 6.6.13. The council is enhancing its exposure further by using social media, such as Twitter, to engage with the public using modern technologies which are in common use.
- 6.6.14. The Mayor and Deputy Mayor undertake numerous engagements with the local community.
- 6.6.15. We work closely with the police and the Community Safety Partnership to reduce crime and disorder and the fear of crime. The emphasis has moved away from a purely numerical evaluation of crimes towards protecting those at most risk of harm from crime. This has seen the partnership concentrate on multi-agency preventative work, such as information, guidance and training to vulnerable people about personal safety, personal rights and healthy relationships, including signs of domestic abuse and hate crime awareness. A further partnership project worked with targeted young people to prevent them being drawn into criminal behaviour especially that associated with drugs and gangs, by challenging their own behaviour and potential consequences and enabling them to change. This preventative work will continue to sit alongside the police's traditional role of crime detection and law enforcement.
- 6.6.16. Meetings have been held in public for many years and openness has always been maintained and the media are often in attendance. Members of the public have the right to address meetings, subject to notice being given. Details of this procedure are given in our Constitution and on our website. All open reports are accessible on our website and meetings are held in locations which have disabled access and hearing loops. Public Wi-Fi was also installed during 2015.
- 6.6.17. The council operates a system of open democracy which allows for the filming and recording of council meetings, as appropriate.
- 6.6.18. The Human Resources service meets informally on a regular basis with Trade Unions and other employee representatives. Regular Joint Consultative and Negotiating Committee (JCNC) formal meetings are held between Trade Unions and senior officers, including the Chief Executive, to discuss issues and changes in policies and procedures affecting the council's employees. Following each of the JCNC meetings a Health and Safety Forum ensures that the council is meeting its health and safety responsibilities to employees and the community.

## **6.7. Do we manage our finances well?**

- 6.7.1. A key milestone for the council is to set a budget that effectively balances the levels of spending to the level of funding available, and therefore reduce the reliance on reserves. Significant time has been invested into providing the members of the council with the knowledge and awareness to allow them to make informed decisions when planning services and budgets for the future. Seminars and training sessions have been held to facilitate this and will continue to be held in the future. This will

ensure that, when faced with difficult decisions, members arrive at a conclusion whilst fully aware of the financial position of the council.

6.7.2. In March 2017 the council refreshed its Efficiency Strategy to address the financial challenges that it faces in the coming years. This set out a number of key work streams to be investigated over the next financial year.

6.7.3. One of the main pressures the council faces is the increasing costs of homelessness and it is looking for ways to improve the service and reduce these costs. The council's housing allocations and homelessness services were retained by the council following stock transfer in December 2007. Some of the financial and operational issues the service experiences, because it is a non-stock holding council are that it is restricted to making placements for homeless people mainly in hotels. The council's emergency accommodation budget for hotel costs are increasing significantly each year as the demand for housing escalates. Ways to improve could be through contracting homeless services with another stock holding organisation, building and leasing temporary accommodation and housing provision, or contracting with a provider of temporary accommodation.

### **Ensuring Quality Outcomes and Efficient Use of Resources**

6.7.4. The council has a Personal Performance Framework for the whole organisation, which monitors performance against local performance indicators. Information on performance is reported via quarterly Council Performance Reports which are reviewed at Senior Management team Meetings, and formally reported to the Partnerships and Performance committee. Performance information is also published and regularly updated on the website.

6.7.5. The council seeks to obtain value for money via a number of arrangements: in particular a co-ordinated approach to procurement across the council and via the Welland Procurement Partnership ensure separate initiatives are brought together to ensure economies of scale for the council are achieved

### **Financial Management of the Council**

6.7.6. The financial framework of the council is structured through the Finance and Contract Procedure Rules which are set out in the Constitution.

6.7.7. A system of regular management information, administrative procedures (including division of duties), management supervision, and a system of delegation and accountability support these. Such procedures seek to ensure that transactions are authorised and that material errors or irregularities are either prevented or would be detected within a timely period.

6.7.8. Maintenance of an effective system of both internal and more detailed financial control is the agreed responsibility of all managers. There are regular budget monitoring reports presented to Resources Committee

6.7.9. In respect of reviewing the effective system of internal control an independent check is provided by both External and Internal Audit.

## Appendix B

- 6.7.10. The council updates its Medium Term Financial Plan each year. Savings identified and agreed for implementation will be specifically monitored to ensure that the benefits are fully recognised. The budget position is a standing item on the Senior Management Team meeting agenda and is regularly discussed with lead members.
- 6.7.11. As part of this process the council agreed to use its revenue reserves to support the current levels of services provided whilst it revisits its priorities and allocates its resources accordingly. An integrated planning framework has been developed to align corporate planning, service planning and financial planning. Going forward this work will be strengthened and will become aligned with the performance and risk management frameworks
- 6.7.12. The council's financial ledger, Agresso, is managed jointly with Kettering Borough Council. More work is being carried out to maximise the use of Agresso and strengthen controls to ensure financial reporting is carried out promptly. A further upgrade to the system to provide managers with better financial information took place in 2016.
- 6.7.13. In his latest Annual Audit Letter the External Auditor gave an unqualified opinion on the council's 2015-16 accounts and arrangements for securing Value for Money.
- 6.7.14. The overall opinion on the internal control environment based on CW Audit's assessment of the key management arrangements and the internal controls, detailed in the Annual Internal Audit Report, was that a significant level of assurance could be provided.

### **7. How will we continue to strengthen our governance?**

- 7.1. The council made significant progress on strengthening its governance arrangements in recent years. Some key issues that will need further strengthening in the coming months are:
- 7.2. In the light of the changes forecast to the level of public sector funding the council will need to revisit its priorities and be clear on how it meets local demands with competing pressures on its finances. It will build these into a new Corporate Plan that covers 2017 onwards.
- 7.3. The council currently has a number of significant projects covering a wide range of services, which can involve working in partnership with others, many of which require considerable levels of one-off and some recurrent funding from the council.
- 7.4. A review will be undertaken to identify if the council has a full oversight on its financial commitments on all these projects.
- 7.5. Individual reports to support significant projects have been prepared for consideration by Committee and these detail the financial implications and risks to the council in advance of decisions being made.
- 7.6. The council will continue to develop and improve its governance arrangements during 2017-18 by implementing the actions below. The actions needed are largely covered by existing improvement and service plan actions, which are reviewed and monitored periodically by the senior management team.

7.7. These actions are;

- Continue to strengthen the links between performance and finances. Progress will be made towards an integrated Business Planning Framework.
- Continuing to meet the requirements of the Public Sector Equality Duty
- Ensuring risk management, business continuity and health and safety are regular items on all levels of management meetings
- Strengthening financial procedures and controls in line with best practice; including capital procedures, with strong links to the council's project management arrangements.
- Updating the council's procurement strategy, related procedures and controls in accordance with best practice and legislation. Capacity and skills in procurement will also be enhanced.
- Exploring the freedoms that the Localism Act 2011 provides for the council in the delivery of its services and the management of its financial resources.
- Continue to comply with the Local Government Transparency Code
- The councils constitution will be reviewed to ensure it is in line with best practice and reflects legislative changes
- Further enhancing partnership working with key stakeholders and fellow public sector bodies.

## 8. Approval of the Statement

8.1. We have been advised on the implications of the result of the review of the effectiveness of the governance framework, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined above.

8.2. We propose over the coming year to take these steps 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.

Signed: .....Date:.....

Leader of the Council

Signed: ..... Date:.....

Chairman of the Audit Committee

Signed: ..... Date:.....

Managing Director