

**West Suffolk Annual Governance Statement 2013/14**

**Summary**

There is a requirement for local authorities to prepare and publish a governance statement. The statement is a backward looking document produced annually which reports on the extent to which local authorities comply with their own corporate code of governance, how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

**Introduction and Scope of Responsibility**

- 1.1 Governance is about running things properly and ensuring that the council is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It is the foundation for the delivery of good quality and improved services that meet the local community's needs.
- 1.2 To ensure that public money is safeguarded, Forest Heath District Council and St Edmundsbury Borough Council are responsible for seeing that their business is conducted properly; that public money is safeguarded and properly accounted for as well as being used economically, efficiently and effectively.
- 1.3 The councils
  - (a) have put in place proper governance of affairs;
  - (b) facilitate the effective exercise of their functions;
  - (c) manage risk effectively; and
  - (d) secure continuous improvement of their functions.

The councils have each 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*.

A copy of the Code is available electronically (via both councils' websites).

## **2. Governance**

- 2.1 Internal control is designed to manage risk. It continues to identify and prioritise the councils' risks to note the likelihood of those risks being realised and their impact so they are managed efficiently, effectively and economically.

### **The Governance Framework**

The six core principles of good governance are:

1. focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
2. members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. developing the capacity and capability of members to be effective; and
6. engaging with local people and other stakeholders to ensure robust accountability.

**Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**

3.1 Going forward the West Suffolk Strategic Plan 2014-16 represents the key planning document for the councils (which was previously contained within the Forest Heath District Council Strategic Plan and the St Edmundsbury Borough Council Corporate Plan) together with each council's:

- Medium Term Financial Strategy;
- Asset Management Plan;
- Local Development Framework;

The West Suffolk Strategic Plan sets out the councils' vision for the future establishing the priorities and actions that the councils need to take to help make that vision a reality, these are further expanded upon through the following documents:

- Draft Housing Strategy 2014;
- Families and Communities Strategy; and
- Six Point Plan for Jobs and Growth;

3.2 The Annual Reports provide highlights of the councils' achievements and progress against priorities over the past 12 months.

3.3 Annual Business Plans provide indicators of service areas' future tasks and projects, linked to the corporate priorities.

3.4 The Medium Term Financial Strategy sets the councils' overall financial arrangements and the financial framework for delivery of the councils' priorities.

3.5 Budget monitoring and forecasting information is available to budget holders showing current expenditure, over / under spend,

and remaining budget for the year. Budget information is also considered quarterly by Joint Leadership Team and at Performance and Audit Scrutiny Committee meetings. The councils implemented a new financial system with effect from 1 April 2014. It is envisaged that this system will improve the timeliness, accuracy, and reliability of data to enable the councils to operate more effectively within the commercial environment.

- 3.6 Key performance indicators are considered quarterly by Joint Leadership Team and the Performance and Audit Scrutiny Committees to enable progress against targets to be monitored.

### **Members and officers working together to achieve a common purpose with clearly defined functions and roles**

- 4.1 The Constitution:
- defines and documents the roles and responsibilities of members, the Leader, the Mayor and Cabinet;
  - sets out rules of procedure and codes of conduct defining the standards of behaviour for members and staff; and
  - sets out a clear framework of delegation to officers.
- 4.2 The statutory roles are:
- **Head of Paid Service** (Chief Executive);
  - **Section 151 Officer** (Head of Resources and Performance); and
  - **Monitoring Officer** (Head of Legal and Democratic Services).

A single staff team delivers services across West Suffolk.

**Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

- 5.1 **The Head of Paid Service** is responsible for co-ordinating the discharge of both councils' functions and the organisation and management of the staff to do so and must be consulted by the Section 151 Officer on particular reports.
- 5.2 **The Monitoring Officer** advises on legislation and compliance with the Constitution. She may report to Full Council about non-compliance with legislation or with each council's own procedures.
- 5.3 **Staff** monitor the introduction of legislation specific to their expertise. Where legislation has a corporate effect, Legal Services, Human Resources and Policy will co-ordinate information and training.
- 5.4 **The Head of Resources and Performance** has overall responsibility for the financial administration of the councils. The councils' financial management and internal audit arrangements substantially conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and the Role of the Head of Internal Audit in Public Service Organisations respectively.
- 5.5 The councils have Financial and Contracts Procedure Rules. Ensuring compliance with these is the responsibility of management across the council. Internal Audit checks they are being complied with and agrees with management the appropriate action to be taken if they are not.
- 5.6 Codes of Conduct have been formally approved and adopted for members and officers.

5.7 West Suffolk Joint Standards Committee promotes and maintains high standards of conduct by councillors, assisting councillors to observe the Members' Codes of Conduct, monitoring its operation and overseeing any breaches.

- 5.8 The councils each have a:
- Whistleblowing Policy;
  - Anti-Fraud and Anti-Corruption Policy;
  - Anti-Money Laundering Policy;
  - ICT Security Policy; and
  - E-mail and internet usage guidance.

All members of staff are made aware of these documents through the induction programme and they are publicised through the internal staff bulletin, intranet and council website.

5.9 Registers for the recording of interests and the offer or receipt of gifts and hospitality are maintained for both officers and members.

5.10 Each staff post has a detailed job description and person specification. Training needs are identified through reviews and other routes. Corporate training is coordinated through the Learning and Development Team.

5.11 The staff disciplinary and capability procedure sets out how poor behaviour will be addressed. The new performance review process outlines the councils' expectations regarding behaviour, conduct and performance. The review period commenced Summer 2013.

### **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

6.1 The Constitutions set out how the councils operate and the process for policy and decision making. The Constitutions are published on each council's website.

6.2 The councils operate the Leader and Cabinet Executive Model. The Cabinet has responsibility for the majority of the councils' services.

6.3 The councils have committees with regulatory or scrutiny functions:

- Development Control Committee – determines planning matters;
- West Suffolk Joint Standards Committee – see above;
- Performance and Audit Scrutiny Committee – deals with service performance and governance having regard to a variety of information, including key performance indicators, financial information, audit reports, corporate risks and complaints;
- Licensing Committee – deals with licensing and gambling matters;
- Overview and Scrutiny Committee –
  - a) scrutinises decisions taken in discharging the councils' functions;
  - b) researches matters affecting the councils' area or community; and
  - c) includes the Councillor Call for Action protocol and policy development.

6.3 A standard report template is used to ensure that reports address all relevant issues and deal with all relevant aspects of the councils' duties and obligations.

6.4 The reports and minutes of meetings are published on each council's website, unless properly restricted from public access by law. There are opportunities for members of the public to ask questions at council meetings.

6.5 Each council has a Data Quality Policy. We publish our equality data in line with the requirements of the Equality Act 2010.

- 6.6 A Risk Management Strategy is in place at each council which provide guidance to members and officers on responsibilities and on the application of risk management processes. A Joint Risk Management Policy is currently being developed.
- 6.7 The Corporate Complaints Procedure provides for a Complaints Co-ordinator in services. Complaints are reported twice a year to the Performance and Audit Scrutiny Committees.

### **Developing the capacity and capability of members to be effective**

- 7.1 Both councils hold the Charter for Elected Member Development recognising the continuing commitment and support provided to members in their role as community leaders and the development required to assist them.
- 7.2 Induction training courses for members are provided after each election which are open to experienced as well as new members, and include a section on standards, ethics and codes of conduct.
- 7.3 Annually, members can identify their own priorities for improvement via Training Needs Analysis. The Member Development Programme is then implemented by the Joint Member Development Group, supported by the Learning and Development team. In addition, a range of skills workshops and discussion sessions have taken place aimed at front-line (non-executive) members.
- 7.4 Budget provision is made annually to ensure training / development needs are met.

**Engaging with local people and other stakeholders to ensure robust local public accountability**

- 8.1 Each council's Community Engagement Strategy sets out an approach to consultation and community involvement, along with providing guidance to members and officers about how to consult people effectively.
- 8.2 The councils consult routinely with residents, businesses, organisations, members and staff on a range of matters. The councils' websites provide links to various activities that invite consultation with the public.
- 8.3 The St Edmundsbury Borough Council Corporate Plan, the Forest Heath District Council Strategic Plan and Joint Annual Report are available to stakeholders via the websites. Going forward the West Suffolk Strategic Plan 2014-16 is the key planning document for both councils, and will be supported by the Medium Term Financial Strategy 2014-16.
- 8.4 The councils are using social media tools to provide new avenues of interaction with the public.
- 8.5 The councils publish their expenditure information on their websites, along with the Pay Policy detailing the approach to the remuneration of staff and senior officers.
- 8.6 Communication and consultation with staff is carried out through weekly staff bulletins, team meetings, and through formal consultation with Unison.
- 8.7 As well as shared services the councils use a variety of service delivery models, and are involved in a number of partnership arrangements.

8.8 Governance arrangements for these partnerships are subject to on-going review, as appropriate, with funding agreements being reviewed on at least an annual basis. Regular liaison meetings take place with key partners.

8.9 The councils continue to review how services should be delivered and this remains a key part of budget deliberations.

## **9. Review of effectiveness**

9.1 The annual review of the governance framework and system of internal control involves:

- a self-assessment exercise;
- Internal Audit's annual report (which includes the Internal Audit Manager's annual audit opinion);
- external auditors comments and other review agencies and inspectorates' reports; and
- an action plan where progress is assessed and recorded.

9.2 The Joint Leadership Team reviews the draft Annual Governance Statement prior to submission to each Performance and Audit Scrutiny Committee, which approves this Statement.

9.3 Internal Audit conducts an independent appraisal of the council's activities, financial or otherwise, and provides an independent and objective opinion regarding these activities. It is also responsible for giving assurance to members, the Head of Paid Service, s151 Officer, Joint Leadership Team and the Performance and Audit Scrutiny Committee on the design and operating effectiveness of the council's risk and control arrangements.

9.4 Based upon the audit work undertaken during the financial year 2013/14, as well as assurances made available to the council by other assurance providers, the Internal Audit Manager has

confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the council, as well as the risk management systems, were operating adequately and effectively. Similar to previous years Internal Audit work has, however, identified a number of areas where existing arrangements could usefully be improved, and agreed actions will be followed up by Internal Audit in the usual way.

- 9.5 The council is subject to an annual programme of independent external audits and inspections. The external auditor summarises the findings from his audit of each council's systems and his assessment of arrangements to achieve value for money.

### **10. Significant governance issues**

- 10.1 In determining the significant issues to disclose, the councils have considered whether issues have:

- seriously prejudiced or prevented achievement of council objectives;
- resulted in a need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the council's services;
- led to material impact on the accounts;
- received adverse commentary in external inspection reports;
- been reported by the Internal Audit Manager as significant in the annual opinion on the council's internal control environment;
- attracted significant public interest or had seriously damaged the council's reputation;
- resulted in formal action being taken by the s151 Officer and / or the Monitoring Officer; or
- members had advised that it should be considered significant for this purpose.

10.2 There have been a number of key developments this year: -

- The new single staffing structure and the roles within it are significantly different from the previous arrangements at either council. They are designed with the financial challenges, evolution of shared services, and wider partnership working opportunities in mind and with a particular focus on dealing with the changing expectations people have of local government.
- This restructure has taken the opportunity to look at the way both councils will work in the future to ensure that they deliver required outcomes in a more complex and demanding public sector environment. Senior management and members from both councils are committed to this change in order to transform and improve customers' experiences, as well as the opportunity to achieve efficiencies and cost savings.
- A new financial management system was implemented on 1 April 2014 and will improve on current arrangements through enhanced automation and standardisation, whilst delivering significant cost savings for the two authorities. In addition, it will help increase the transparency of information and provide the data needed in order to support the decision-making across West Suffolk in the current commercial environment.
- Risk management practices and risk appetite are reviewed by both councils with a view to achieving greater clarity, consistency and support to the shared service structure.
- The adoption of a West Suffolk Strategic Plan providing a single vision for the two authorities to work towards will

enable Members and staff to be clear about the ambitions of the councils. Building on this the two councils plan to undertake a full constitutional review during 2014/15 with a view to aligning key decision making arrangements and creating joint committees where appropriate.

- During the year the Councils commissioned a West Suffolk Corporate Peer Challenge. This resulted in the production of an Action Plan which includes work on governance issues. These actions are noted but not included in the AGS Action Plan to avoid the necessity for the same actions being mentioned more than once.

10.3 A review of the governance framework has highlighted a small number of areas where improvements could be made, these being:

- a review of the Constitution document to reflect new working arrangements and the need for efficiency; and
- the creation of a West Suffolk Strategic Risk Register to enable common management of risk across both authorities.

Both are included within the Corporate Project Plan and will be subject to management and member scrutiny as appropriate.

## **11. Future Developments**

11.1 A Corporate Project Plan has been developed to assist in identifying key projects for both councils. A Transformation Board has been established to oversee the Plan, managed by a programme manager. The projects listed vary depending on their nature and complexity, and include:

- joint plans and policies as soon as possible to enable cohesive service delivery;
- create a West Suffolk business festival website;
- adopt the Housing Strategy;

- transition services to customer services team and implement the customer contact centre;
- create a new West Suffolk website and intranet;
- develop an investment board and appraisal tool; and
- align systems and process with a corporate electronic data and records management system.

**12. Assurance by Chief Executive and Leader of the Council**

We approve this statement and confirm that it forms the basis of the councils' governance arrangements and that these arrangements will be monitored and strengthened in the forthcoming year as described above.

Signed:

Signed:

**James Waters**  
**Leader of the Council**

**John Griffiths**  
**Leader of the Council**

Date:

Date:

Signed:

**Ian Gallin**  
**Chief Executive**

Date: