

TEWKESBURY BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2013-14

1. SCOPE OF RESPONSIBILITY

- 1.1 Tewkesbury Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Tewkesbury Borough Council 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.
- 1.2 In discharging this overall responsibility, Tewkesbury Borough Council is responsible for putting in place proper arrangements of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 Tewkesbury Borough 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*. A copy of the authority's code is on our website at www.tewkesbury.gov.uk. This statement explains how Tewkesbury Borough Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4 (3), which requires all relevant bodies to prepare an annual governance statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. 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.
- 2.2 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 Tewkesbury Borough Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Tewkesbury Borough Council for the year ended 31 March 2014 and up to the date of approval of the annual report and statement of accounts.

3. THE GOVERNANCE FRAMEWORK

3.1 *Delivering Good Governance in Local Government* identifies six core principles which should guide the organisation in its operations. These are: -

- **Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**
- **Members and Officers working together to achieve a common purpose with clearly defined functions and roles**
- **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**
- **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**
- **Developing the capacity and capability of members and officers to be effective**
- **Engaging with local people and other stakeholders to ensure robust public accountability**

3.2 These principles are outlined in the Council's Local Code of Corporate Governance. To support the six principles, the Chartered Institute of Public Finance & Accountancy (CIPFA) have identified key elements of the typical systems and processes that comprise an authority's governance arrangements. These are: -

- identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users
- reviewing the authority's vision and its implications for the authority's governance arrangements
- translating the vision into objectives for the authority and its partnerships
- measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources and value for money
- defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements
- developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff
- reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality
- reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

- ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained
- ensuring effective management of change and transformation
- 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, where they do not, explain why and how they deliver the same impact
- ensuring the authority's assurance arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)* and, where they do not, explain why and how they deliver the same impact
- ensuring effective arrangements are in place for the discharge of the monitoring officer function
- ensuring effective arrangements are in place for the discharge of the head of paid service function
- undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*
- ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- whistleblowing and for receiving and investigating complaints from the public
- identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training
- establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation
- enhancing the accountability for service delivery and effectiveness of other public service providers
- incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

4. THE COUNCIL'S GOVERNANCE FRAMEWORK

An overview of the Council's assurance framework is shown in diagram 1. The key elements of the governance framework the council has in place are detailed below: -

4.1 Council Plan

- 4.1.1 The Council Plan (2012-16) was approved at Council on 15 May 2012. The plan is a live document and this is demonstrated through its annual refresh. The Council Plan (2012-16, Year 3) was approved at Council on 13 May 2014 and reaffirms the council's vision, five priority themes and key objectives.

4.1.2 We are a council that has a vision for the Borough as 'a place where a good quality of life is open to all' and also sets out the values which we hold as we work towards the vision. We are a council which puts its customers first, is positive about working with others and one which values its employees. In delivering the vision, the council will:

- Use resources efficiently and effectively
- Promote economic development
- Improve recycling and care for the environment
- Provide customer focussed community support
- Develop housing relevant to local needs

4.1.3 Each priority theme is supported by a number of objectives and key operational actions. Delivery of these actions is monitored through our performance management framework. Our key achievements are summarised in the refreshed council plan and in the annual 'State of the Borough' address by the Leader to full Council.

4.1.4 In undertaking its activities, the council must remain transparent. This is the foundation of local accountability and something which gives local people the information they need to play a bigger role in society. In 2011, the Government introduced a code for local authority data transparency to place more power into citizen's hands. This code has now been updated by the **Local Government Transparency Code 2014**. The implications of the new code require more data to be released and communicated by the council including; further procurement data, letting of contracts, local authority land, grants, trade union facility time, parking revenues. Compliance with the code should therefore be flagged as a **significant governance issue**.

4.2 Performance Management

4.2.1 The progress of Council Plan actions is monitored through a performance tracker which is reported on a quarterly basis to the Overview and Scrutiny Committee. By way of further challenge, the Committee's comments and observations are then considered by the Executive Committee.

4.2.2 Each service group produces a service plan prior to the commencement of the financial year. For accountability purposes, individual council plan actions are allocated to service groups. Service plans also detail non-council plan actions to be delivered in the year. Monitoring of all actions also forms part of normal business through management dialogue, 1-2-1 meetings and lead member briefings.

4.2.3 Supporting the quarterly reporting of the performance tracker is a set of key performance indicators and a financial summary statement. The suite of performance indicators were refreshed during 2013/14 and are now more aligned to our council plan priorities. A Direction of Travel statement is also produced on an annual basis. This enables us to compare the performance of the indicators over the last 3 years. We have also re-instigated the benchmarking of comparable indicators with other Gloucestershire Districts and look forward to extending this with other councils during 2014/15.

4.2.4 As part of our data quality arrangements, Internal Audit has a rolling programme to ensure the accuracy of what is being reported. An overarching data quality protocol is also in place. Significant projects are monitored through the project management framework and there are established governance arrangements to support this.

4.3 Complaints

4.3.1 The council has an established complaints framework which is published on the website. A six monthly report is presented at Overview and Scrutiny Committee which provides a breakdown of the complaints received and summarises them by type, contact channel, parish and remedy.

4.3.2 The council has a low number of complaints, only 23 (18) formal complaints were received for the period July-December 2013 and 18 (42) for the period January-June 2013. The previous year's figures are shown in brackets. As an example and putting the number of complaints into context, using the waste service alone, there are over 3 million successful bin and caddy collections alone.

4.3.3 A report on complaints received by the Local Government Ombudsman (LGO) is also reported on a six monthly basis at Overview and Scrutiny Committee. To December 2013, only 4 complaints have been received of which none have been to the detriment of the council. The annual review letter for 2012/13 published by the LGO confirms they did not receive any complaints about the council. This compares to a national average of 10 complaints for a district/borough council.

4.4 Resident's survey

4.4.1 In previous years we have relied upon service specific user surveys and our complaints system to understand the views of our residents. During 2013/14 we carried out a resident's satisfaction survey to help strengthen our knowledge and understanding of how the council is performing. The survey was structured in accordance with the Local Government Association's 'Are you being served?' guidance and provides the opportunity to benchmark results.

4.4.2 689 questionnaires were returned from a mailing of 3000. Results have been very positive, for example; 80% of residents are happy with the way the council runs things, 91% of residents are fairly satisfied or very satisfied with their local area as a place to live and 72% of residents were satisfied with the service received the last time they made contact.

4.5 Quality of services

4.5.1 The council is committed to further developing its public service centre. We currently share our offices with the following public service partners Tewkesbury Borough Police, Gloucestershire County Council's Children and Young People Services, and Adult Care Services and Citizens Advice Bureau. In April 2014, Job Centre Plus moved into the building, the first such arrangement in the whole country and this needed ministerial sign off.

- 4.5.2 Having related public services within the same building has resulted in reducing the cost of public service delivery through shared assets, improving service effectiveness and locality partnerships and providing public access to a wide range of services under one roof through a common reception.
- 4.5.3 This approach is helping us to work with our partners to develop a locality based approach to community issues such as troubled families, anti-social behaviour and enviro crimes. This partnership with all key partners sharing the same district boundary is unique. Partners have realised significant savings as well as the council generating an additional £169k rental income.
- 4.5.4 Supporting the public service concept and acting as a driver to make it happen, there are two projects running alongside each other: the office rationalisation and office refurbishment projects. The £1.38m office refurbishment commenced in January 2014 and is due for completion in September 2014. This will transform the building into one that staff and customers can enjoy and work comfortably in for years to come. Members and staff are working together to develop our aim of moving all staff onto a refurbished and rationalised first floor. This will enable the second floor to be let to generate additional income. To enable this rationalisation, we have introduced increased use of ICT solutions and new HR policies which promote flexible working. All these projects are monitored through our project management framework.

4.6 Value for money

- 4.6.1 The council's budget has been prepared against a background of the most significant budget pressures for the last 20 years, mainly due to the changes to Local Government finance. As a result, the council is prioritising its resources within restricted budgets by achieving cost reductions and improving efficiency and productivity. For example, the implementation of the organisational review, effective from August 2013, generated an annual saving of £500,000.
- 4.6.2 To tackle its financial challenges, the council has approved a strategy called Transform Tewkesbury Borough. The strategy has four themes; partnerships and commissioning, use of buildings, using technology and sustaining improvement and people and culture. Part of the strategy it to look at every one of our services and consider if we can deliver them differently and through improving the way we do things to become more efficient. Delivering effective organisational change was identified as a significant governance issue in 2012/13 with the approval of a Business Transformation Strategy and development of a Business Transformation Programme as key actions. These actions have been implemented.
- 4.6.3 Despite the financial climate, the council continues to deliver value for money while freezing council tax for the fourth year running. The Band D equivalent of £99.36 is the lowest in Gloucestershire and the 5th lowest in the country. From our residents survey 52% either tend to agree or strongly agree that the council provides value for money whereas only 13% disagreed.

- 4.6.4 The council's external auditor, Grant Thornton also concluded within their Annual Audit Letter that the council has sound arrangements in place to secure economy, efficiency and effectiveness. The executive summary of this letter includes the following statement 'the Council is responding well to the challenges of the Local Government Finance Settlement, delivering savings and targeting its resources effectively'.
- 4.6.5 There is good collaboration between officers and members through the Budget Working Group (BWG) to bridge the budget deficit. For 2013/14 the BWG was divided into two separate groups: a BWG and an Income Group, in order to give renewed focus and strengthen member engagement in the budget process. The two groups helped prepare the Medium Term Financial Strategy (MTFS) for 2014/15-2019/20 and the 2014/15 budget. The BWG also monitor the challenging savings programme of £1.5 million which was approved for 2013/14. This was in response to a 2012/13 year end budget deficit of £300,660.
- 4.6.6 Moving forward in 2014/15, it is now necessary to start work on the budget for 2015/16, review and revise the MTFS for 2015/16-2019/20 and monitor the implementation of the work programme for the Business Transformation Strategy (BTS). A new group entitled the Transform Working Group has been established for 2014/15 with the remit of monitoring the implementation of the BTS and work programme, preparing the 2015/16 budget and reviewing/revising the MTFS.
- 4.6.7 The financial resilience of the council was flagged as a significant governance issue last year. This was in specific reference to the delivery of the council's savings programme. Grant Thornton in their annual report 'review of the council's arrangements for securing financial resilience.' which covers the period to 31 March 2013 concluded that the council has adequate arrangements in place to secure financial resilience.
- 4.6.8 Aligned to the savings programme and a significant governance issue from the previous year is to demonstrate effective procurement. Significant savings have been made during the year, for example the retender of the MRF contract will generate an estimated £60k annual saving, insurances (£32k), treasury management (£9k) and APCOA – management of off street parking (£90k). A new Procurement Strategy was approved in 2012 and its supporting action has begun to be delivered during 2013/14.

4.7 Communications

- 4.7.1 Communicating effectively is really important to us. To ensure we reach out to as many of our communities and stakeholders as possible, we use a wide range of communication channels. Tewkesbury Borough News is our residents' newspaper, which is delivered to all 37,000 households in the borough. The paper, which is also available in large print and online, communicates information and news about our services, and includes a community news page which focuses on updates from organisations and parish councils from across the borough. Our latest residents' satisfaction survey revealed that Tewkesbury Borough News is the main way in which residents find out about the council, and 80 per cent of residents read it in full or in part.

- 4.7.2 Other forms of communication include press releases to the media, which are reported online, through print, and on radio and television, as well as responding quickly to the many media enquiries we receive. Alongside these traditional forms of communication, we are also communicating via social media, such as Twitter, Facebook and Instagram, and through e-newsletters. We have three Twitter accounts, one for council news generally, one for business news and one for tourism. We also have two Facebook pages, a corporate one and a sports development one. Each of our social media accounts is continuing to grow and offer us a way of communicating to people and groups that may not have used the more traditional methods to find out about our services.
- 4.7.3 We produce two main e-newsletters. Parish Matters is our quarterly electronic newsletter, which communicates the latest news from the council to our parish and town councils. Borough in Business is our e-newsletter to businesses, which provides the latest relevant information to our businesses across the borough. We also value our partnership working with our 50 town and parish councils and twice yearly host a seminar to discuss topical issues.
- 4.7.4 Our new website, introduced in early 2013 is proving to be a great success. It is much quicker and easier to use, and we are working to ensure it contains all the required information from the Information Commissioner's Office. Through all of our channels of communication, and in line with our new Communications Strategy (2014-2016), we are committed to being open, honest and transparent, which ensures accountability. Our Communications Strategy ensures that we are communicating as effectively and openly as possible and includes a range of specific actions, such as media training, facilitating the introduction of a new intranet to benefit internal communications, and supporting the council's Transform programme.

4.8 Change and transformation

- 4.8.1 The council is currently undergoing significant change and as a result will need to develop creative and innovative solutions to continue delivering affordable and good quality services. In order to meet this challenge we will find new ways to deliver services.
- 4.8.2 The process has started, a number of services have already been subject to significant review, revised service and management structures, premises, processes service standards and technologies. All significant projects have been managed and monitored through the project management framework and have involved joint collaboration between officers, members and where appropriate, our partners.
- 4.8.3 Our ambitious programme of change continues, and the framework for change has been consolidated into a 3 year strategy, 'Transform Tewkesbury Borough' - the vision is to drive improvement through change. The programme is guided by four underlying principles, which will help shape future organisational change. The agreed principles focus upon financial viability, working in partnership, easy and low cost access to services and organisationally being flexible and fit for purpose.

- 4.8.4 The organisational review was effective from August 2013 and a significant governance issue identified last year and arising as a result of the review was delivering organisational and cultural change. This has commenced during the year and includes; the approval of the BT strategy, implementation of a new staff appraisal scheme 'Behaviours Framework', the running of 'Brilliant Tewkesbury' activities, management development, flexible working and the launch of a new Health & Safety focus in relation to the social and well-being of staff.
- 4.8.5 ICT will play a significant role in the council's approach to transformation. A key theme within the BT strategy is 'using technology and sustaining improvement'. To enable our key services to work in partnership effectively it is essential the council's ICT environment is compliant with the Public Service Network (PSN) Code of Compliance. This was verified for 2013/14 but early indications are the 2014/15 submission will be even more stringent with particular emphasis upon policies and procedures to support a robust **information governance** framework. The risk of non-compliance with PSN requirements would mean potential disconnection and the ability to communicate effectively with other government departments such as the DWP. This has therefore been identified as **significant governance issue**.

4.9 Defining function and roles

- 4.9.1 The Council's constitution provides a clear statement on the roles and responsibilities of members and senior officers. In light of the organisational review and new management responsibilities, a revised Scheme of Delegation was approved at Council on 30 July 2013 as an interim measure pending a full review of the Scheme due to be undertaken during Autumn 2014.
- 4.9.2 A significant governance issue arising from the 2012/13 AGS was as a result of the organisational review a number of governance issues would need to be resolved. Since the implementation of the new management structure, the issues identified have been mitigated through actions such as updating the scheme of budget delegation and corporate signatory list, the re-alignment of all financial budgets, defining the roles of Corporate Leadership Team and Group Managers and the revision of Lead Member portfolios.
- 4.9.3 The Council's political governance has, since May 2009, comprised an Executive Committee with an Overview & Scrutiny Committee and a separate Audit Committee. The Council is responsible for determining the most significant plans, policies and strategies (the Policy Framework). All other matters relating to operational delivery within the budget and policy framework are delegated to the Executive Committee or to officers. The Executive Committee consists of Lead Members who oversee their individual portfolios and as necessary communicate matters of specific interest to the wider Council membership.
- 4.9.4 The Overview & Scrutiny Committee provides challenge and assists with policy formulation. A review of the effectiveness of this committee is programmed for 2014/15. The Council has two committees which deal with governance, internal control and ethical arrangements (Audit Committee and Standards Committee). Additionally, there are two quasi-judicial committees dealing with licensing and planning.

4.10 Risk Management

- 4.10.1 The council has a risk management strategy in place and this will be reviewed in 2014/15 to ensure its content aligns with the new management structure. There are satisfactory arrangements in place for the management of risk. All significant projects are supported with risk registers and at an operational level, risk is considered in a number of ways. For example, Internal Audit work to a risk based audit plan, Food Control undertake inspections on a risk basis, the Revenues team undertake quality assurance checks on benefit claims on a risk basis.
- 4.10.2 Risk management is a standard Corporate Leadership Team (CLT) item agenda item and the corporate report template includes a risk implication section. During 2013/14, the formalisation of reporting corporate risk was superseded by the organisational review. Now the review is complete and a new management structure in place, CLT are now in the process of developing a **corporate risk register**. This will be reported through the 2014/15 quarter 1 performance management framework. The requirement to report such risks has been identified as an area for improvement by the council's external auditors. For this reason, this will be reported as a **significant governance issue**.
- 4.10.3 Business continuity is a strand of risk management. The Council's business continuity arrangements were identified as a significant governance issue within the 2012/13 Annual Governance Statement. As a result, the corporate business continuity plan was updated and approved by Executive Committee in July 2013. The Business Corporate Group (BCG) has met on a regular basis during 2013/14 and has helped facilitate the completion of individual service continuity plans. The **testing of the plan** is outstanding and this action will therefore be carried forward as a **significant governance issue**.

4.11 Fraud and Whistle blowing

- 4.11.1 The council has an anti-fraud, corruption and bribery policy and a separate whistle blowing policy. Internal Audit routinely considers the likelihood of fraud occurring within the systems being audited and where appropriate makes recommendations to improve internal control. There have been no whistle blowing incidents reported during the year. There has been one fraud investigation during the year and this has been reported to Audit Committee.
- 4.11.2 There is currently a dedicated Housing Benefit team to investigate Housing Benefit related fraud. The Government is currently rolling out its **Single Fraud Investigation Service (SFIS)** and this will create an integrated fraud unit within the Department of Works and Pensions (DWP) to investigate welfare benefit fraud. Implementation plans are currently being developed but indicate a phased roll out between October 2014 and March 2016. This council's implementation date has not yet been notified. The impact of this should be flagged as a **significant governance issue**

4.12 Audit Committee

4.12.1 The Audit Committee has received training on the new Public Sector Internal Audit Standards. This helps to supplement its terms of reference and undertake the core functions of an audit committee as identified within CIPFA guidance *Audit Committees Practical Guidance for Local Authorities*. This publication was updated during 2013 and includes a self-assessment effectiveness checklist. Completion of this will be undertaken during 2014/15.

4.13 Role of the Chief Financial Officer

4.13.1 The council's 2013/14 financial management arrangements conform to the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010). The governance arrangements are an inherent part of the role and responsibilities of the Group Manager (GM) – Finance and Asset Management and are fulfilled in a number of ways, for example:

- The GM is a member of Corporate Management Team, helping it to develop and implement strategy and to resource and deliver the council's strategic objectives.
- The establishment of a Medium Term Financial Strategy. This is updated on a rolling basis and is supported by a robust annual budget setting and monitoring process, developed in conjunction with the BWG.
- The level of reserves and balances is provided in line with good practice guidance.
- Compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.
- The provision of clear, well presented, timely, complete and accurate information and reports to budget managers on budgetary and financial performance.
- The continued publication of accurate and timely accounts, in compliance with IFRS.
- Supported by a finance team with the resources, expertise and systems necessary to perform its role effectively.

4.14 Role of the Monitoring Officer

4.14.1 The Council appointed the Borough Solicitor as Monitoring Officer. The post is shared with Cheltenham Borough Council. This function is to ensure compliance with established policies, procedures, laws and regulations. The Monitoring Officer must report to the Council, after consulting with the Head of Paid Service (Chief Executive) and Chief Finance Officer, if any proposal, decision or omission would give rise to unlawfulness or maladministration. No cases have been reported during the year by the Monitoring Officer. The roles and responsibilities of the Monitoring Officer are defined within the Council's constitution.

4.15 Member and senior officer development

4.15.1 During 2013/14, Members have received extensive training and development. This has particularly been focussed on a programme of seminars relating to the Joint Core Strategy, this being one of the council's significant projects. Seminars have also been held on other significant projects such as Business Transformation, new leisure centre and Strategic Economic Plan.

4.15.2 Officer development needs are traditionally identified through the annual Joint Annual Review (JAR) process. This process has been refreshed in readiness for 2014/15 and replaced with a new 'Behaviours Framework'. The new framework is aligned to the core values within the Council Plan. Supporting this is a corporate training budget which was implemented during 2013/14. All service related budgets were consolidated into this one budget. With regards to senior management, a programme of development has commenced, which will help support their new roles and responsibilities and where appropriate this is supported with learning sets and mentoring for senior managers.

4.16 Standards Committee

4.16.1 The role of the committee is to promote and ensure high standards of member conduct and behaviour including those in town and parish councils and to assist members and co-opted members to observe the Code of Conduct. During the year the committee adopted a programme for review and revision of the Council's protocols and subsequently reviewed the Licensing Protocol. The new protocol was approved at Council on 28 January 2014. A working group has now been formed to review the Protocol for Councillors and Officers Involved in the Planning Process and this review will commence in 2014/15.

4.17 Role of Head of Internal Audit

4.17.1 The council's internal audit arrangements conform to the governance requirements of the CIPFA document *'the role of the head of internal in public service organisations Statement on the Role of the Chief Financial Officer in Local Government (2010)*. An annual review of the effectiveness of Internal Audit is carried out and reported to Audit Committee. This concluded that the Council's Internal Audit function is effective.

4.17.2 Annually, the Chief Audit Executive (Group Manager – Policy and Performance) produces a report summarising the work of Internal Audit. This report provides an overall opinion on the level of control that exists within the systems audited. The 2013/14 annual report, presented at Audit Committee on 25 June 2014, concluded that a good level of control exists in relation to the council's governance arrangements and systems of internal control. In relation to risk, there is a risk management framework in place but needs to be enhanced through the delivery of the corporate risk register,

4.17.3 The overall Internal Audit conclusion was based upon 65 'split' audit opinions of which a higher percentage were reported as 'good'. 2 opinions were of a 'limited' assurance nature: - risk management and monitoring of flood alleviation grants. The latter is in the process of being resolved and therefore is not considered to be a current significant governance issue. Raised as a significant governance issue by Internal Audit in 2012/13 was Health & Safety – playground inspections. Significant control issues were identified but these have now been resolved. Audit Committee were formally notified of this.

4.18 Head of Paid Service function (Chief Executive)

- 4.18.1 This post is required by the Local Government and Housing Act 1989 with the function and duties detailed within the council's constitution. The organisational review created a new management structure and the Chief Executive heads a Corporate Leadership Team (CLT) comprising a Deputy Chief Executive and Borough Solicitor. Supporting this team, are 8 Group Managers.
- 4.18.2 Effective arrangements are in place for the discharge of the Head of Paid Service. For example, the post holder has a 6 monthly appraisal by members, is subject to peer mentoring, regularly meets with Group Leaders to discuss key strategic issues and leads CLT which meets on a weekly basis.

4.19 Partnership working

- 4.19.1 The council recognises that it cannot achieve its priorities without effective partnership working. We are positive about working with others and this is a core value within our council plan. This includes working with communities, the voluntary sector, town and parish councils and neighbourhood groups to achieve common goals. For example, in April 2013, the council outsourced the enforcement of its off street parking to a private contractor, APCOA.
- 4.19.2 The council is receptive to exploring opportunities for service delivery options and further shared services development. A programme of strategic service reviews will be developed during 2014/15 as part of the Transform programme. A significant project currently underway is the design and build of a new leisure centre.
- 4.19.3 The council continues to develop partnership working further through its Public Service Centre. Residents can access a range of services under one roof due to the number of agencies located at the council offices. Not only making it easier for residents, it has also made it easier for the organisations to link up on a number of issues such as anti-social behaviour and the Families First Programme. Tewkesbury Jobcentre Plus relocated here in April 2014 to strengthen its links with our Housing Services, Revenue Services, the police and county council services.
- 4.19.4 We currently have two shared service arrangements, legal services (One Legal) and building control which are both shared with Cheltenham Borough Council (CBC). CBC is the lead authority for building control and TBC the lead for One Legal. Each arrangement is supported with a robust governance structure. On an annual basis, as part of the evidence to support the AGS, each council provides a certificate of assurance to the other. The 2012/13 certificates indicate there are no significant issues to report.

- 4.19.5 CBC also provides operational management of our Depot Services function. This arrangement together with sharing CBC depot has been extended whilst the proposed governance arrangements for TBC to join the Local Authority Company, UBICO are considered further. A report will be presented to Members in the summer of 2014. The council have also joined the Gloucestershire Joint Waste Management Committee. A key benefit will be that the council will have influence over the whole waste management system for Gloucestershire, including future projects for treatment or disposal options and the recycling centres.
- 4.19.6 The proposed partnerships in relation to the delivery of our **Depot Services** and management of the **new leisure centre** are significant as these are council plan actions. Ensuring good governance within these partnerships is therefore a **significant governance issue**.

5 REVIEW OF EFFECTIVENESS

- 5.1 Tewkesbury Borough 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 management who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The Council's process for maintaining and reviewing the effectiveness of the governance framework included the following (but is not an exhaustive list):

- Quarterly performance reports presented to Overview & Scrutiny Committee, and the outcome of their review taken to Executive Committee.
- External audit reporting and any issues identified brought to the attention of the Audit Committee.
- Internal Audit reporting and any issues identified brought to the attention of the Audit Committee.
- Audit Committee monitoring of significant governance issues.
- Annual review of the effectiveness of Internal Audit.
- Monitoring delivery of key corporate projects.
- Regular Corporate Leadership Team meetings and management team meetings
- Member representation and where appropriate, independent representation on key projects e.g. organisational review, office refurbishment projects.
- Strong political structure and good Member/officer relationships to support accountability and transparency
- Regular meetings of the Budget Working Group (now Transform Working Group) to help deliver a sustainable budget.
- The work of the Standards Committee in promoting and maintaining high standards of conduct by councillors.

- Monitoring of and outcomes from key policies and procedures such as the Whistleblowing Policy, anti-fraud and corruption policy and complaints framework, including Local Ombudsman reports.
- Results from the resident's satisfaction survey.
- Assurance from key partnerships.
- Corporate Governance Group which consists of senior officers and Lead Member and oversees matters relating to the governance of the Council.
- Health and Safety work

5.2 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Governance Group and endorsement by the Audit Committee, 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 below.

Governance Framework – Key Documents/Functions

- Council Plan
- Performance Management Framework
- Constitution & scheme of delegation
- Transform Programme
- Communication Strategy
- Human Resources Strategy
- Council Procedure Rules
- Record of Decisions
- Code of Conduct (Employees and Members)
- Officer and Member Protocols
- Code of Corporate Governance
- Risk Management Framework
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Project management framework
- ICT Policy and ICT Governance
- Procurement Strategy
- Contract Procedure Rules
- Medium Term Financial Strategy
- Treasury Management policy
- Annual Statement of Accounts
- Financial Procedure Rules
- Complaints Framework
- Equalities Framework
- Internal and External Audit
- One Legal
- Data Quality Policy

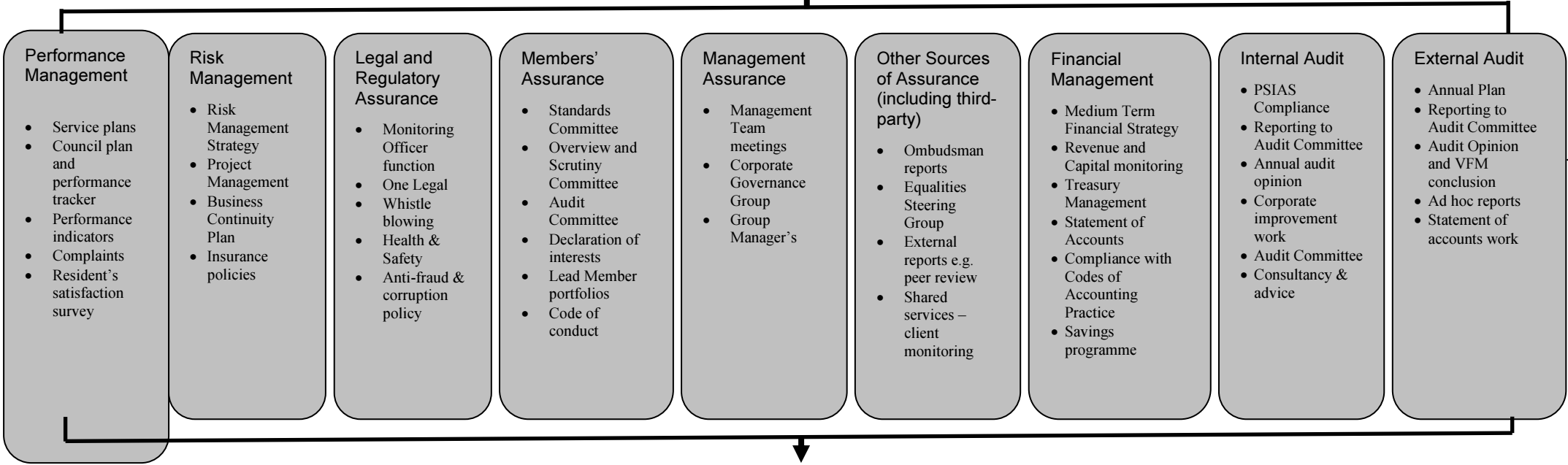
Annual Governance Statement
Signed by the Leader of the Council and Chief Executive and published with the Statement of Accounts

Review and approval of AGS by Audit Committee

Review of the effectiveness of the system of Internal Audit

Council's assurance framework

Corporate Governance Group – responsible for drafting AGS after evaluating assurance framework



On-going assurance on adequacy and effectiveness of controls over key risks

6 SIGNIFICANT GOVERNANCE ISSUES

6.1 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.

| No | Governance Issue | Proposed Action | Timescale | Responsible officer/group |
|----|---|--|---------------------------------|--|
| 1 | Compliance with Local Government Transparency Code (2014) | <ul style="list-style-type: none"> Compliance action plan to be developed and presented at Audit Committee. Implementation of action plan. | October 2014 | Policy and Performance Group Manager/Finance and Asset Management Group Manager |
| 2 | Risk Management and Business Continuity | <ul style="list-style-type: none"> Produce a Corporate Risk Register. Testing of business continuity arrangements. | September 2014 December 2014 | Policy and Performance Group Manager Business Continuity Group |
| 3 | Information Governance | <ul style="list-style-type: none"> Development of Information Governance policy and action plan. Awareness training for officers and Members. Completion of PSN Code of Connection assessment | October 2014 | Senior Information Risk Owner (Deputy Chief Executive) supported by Policy and Performance Group Manager/Business Transformation Group Manager |
| 4 | Partnerships - developing robust governance framework | <ul style="list-style-type: none"> Provide assurance to Members there will be effective governance arrangements in place for UBICO, management of the new leisure facility and the Single Fraud Investigation Service | Mar 2015 | Deputy Chief Executive |

Signed on behalf of Tewkesbury Borough Council

Councillor Robert Vines
Leader of the Council

Mike Dawson
Chief Executive

Date

Date