TEWKESBURY BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2014-15

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 2015 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 4) was approved at Council on 14 April 2015 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 the Council.

4.1.4   The Council Plan is now in its final year and work will be commencing during the Summer / Autumn of 2015 towards the adoption of a new Council Plan next year to take the Council forward from 2016.

4.1.5   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.   The Council is complying with the requirements of the transparency legislation.

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 within the Council 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, one to one 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 performance indicators are broadly aligned to our Council plan priorities. The Council will during 2015/16 be considering benchmarking of key indicators.

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.   The complaints procedure is programmed for review during 2015/16.

4.3.2   The Council has a relatively low number of complaints; 48 (41) formal complaints were received for the period January to December 2014. The previous year's figures are shown in brackets.

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. For the period January to December 2014, 4 complaints were received and of the complaints concluded within that period, none have been upheld. The annual review letter for 2013/14 published by the LGO confirms they received 13 complaints /enquiries about the Council.

4.4   Peer Review

4.4.1   The Council is keen to ensure that as an organisation it performs at a high level and is fit for purpose in meeting the needs of its communities. To provide an external 'health check' of the organisation the Council arranged for a Peer Review to be undertaken by the Local Government Association. The Review considered:

- Does the Council understand its local context and has it established clear priorities?
- Does the Council have a plan in place to ensure long term financial viability and is this being implemented successfully?
- Does the Council have effective political and managerial leadership?
- Are effective governance and decision making arrangements in place?
- Are organisational capacity and resources focused to deliver agreed priorities?

4.4.2   In addition the Council asked the Peer Challenge team to address the following:

- Do we have a clear, cohesive and understandable message?
- Is it owned and are our people signed up to it?
- Is there organisational capacity and culture to deliver it?
- Have we missed anything?

The Challenge Team comprising experienced elected member and officer peers with the assistance of the LGA Peer Challenge Manager, undertook the review during the 11 – 14 November 2014.

4.4.3   The report of the Team was received on the 17 December 2014 and found that the Council has an energetic and active approach towards its service delivery and in developing itself as an effective organisation with a strong emphasis on value for money. It found that the Council had not only undertaken many internal transformation activities to achieve these aims but has maintained an external focus and developed very good relations with

partner organisations at all levels of operation. If found that the levels of resident satisfaction both with Tewkesbury and the Council itself are very high.

4.4.4   The report said that "There is a strong sense of community leadership and the Council has an ambitious growth agenda for both business and homes.   It is pioneering a multi-service and partner approach to its activities e.g. the impressive public service approach in the civic offices. The Council wishes to extend this approach still further and is embarking on a 'Place' initiative which is designed to help ensure that all public services are co-ordinated around the needs of individual communities. This approach will also have benefits within the Council itself, helping to discourage silo working and develop the new tier of group managers as a corporate team."

4.4.5   The Peer Team concluded that there was much for the Council to be proud of and it "punches above its weight" at local, county and regional level.

4.4.6   The Peer Team did identify a number of recommendations and ideas for consideration and the Council considered these recommendations and approved at its meeting on the 14 April 2015 an Action Plan in response.

4.5   Quality of services

Change

4.5.1   The Council is continuing to build on the successful creation of the Public Service Centre within the Borough Council offices and in its approach by LGA Peer Review report in November was commended for 'pioneering public sector integration'..   The co-location includes front line staff from the following public sector agencies; Children's and Young People services from Gloucestershire County Council, the integrated health and adult social care functions run by Gloucestershire Care Services, the local Police neighbourhood team, Department of Work and Pensions' Job Centre, the community team from the Fire and Rescue Service, the Citizens Advice Bureau and two of our local Registered Housing Providers.

4.5.2   This co-location has enabled staff from across organisations to work together to find effective solutions for local residents in a more holistic and joined up manner. The Council hosted a Ministerial visit in February 2015 from Mark Harper , Junior Minister in the Department of Work and Pensions, and the front line staff he met reinforced the success of the approach with a range of case studies showing positive outcomes achieved by working across professional silos .   The Council has worked with partners to create the appropriate environment within the offices to maximise the impact of these opportunities through a shared staff lounge, regular joint Information Sessions for all staff, and joint training and development events to embed cultural change.

4.5.3   In addition the more efficient use of our key property asset by renting out space to other partners has created new income, approximately £166K p.a. to support the Council's budget and release funds for service delivery.

4.5.4   Next steps to further build on the Public Service Centre concept, by attracting new services into the building and to reconfigure the Reception space to

reflect the breadth of public agencies present and to create a joined up gateway into local public services are key priorities for 2015/16 .

4.6   Transformation

4.6.1   The Council's Transform Programme is in its second year and outcomes achieved reflect the different approaches used to reduce costs and increase efficiency and quality of service. The authority has developed a mixed portfolio of methods to transform the way services are delivered but at the heart is a clear commitment to maintaining priority around what is 'better for customers and better for business'.

4.6.2   The Council has joined the local authority owned company – Ubico Ltd to deliver its Depot services including waste, street cleansing and grounds maintenance, which has secured the future of these services, saved significant costs and provided a platform to share resources with others to reduce future financial pressures.

4.6.3   In the Leisure service the Council approved the building of a new Leisure Centre with considerable dry facilities including a gym and dance studio to replace the dilapidated Cascades Pool. The contract for the management of the centre will generate an annual revenue surplus to the authority.

4.6.4   A service review of the Council's Revenues and Benefits service has been completed by staff within the year which has resulted in savings of over £227k over 2 years, transformational performance improvement from bottom to top quartile levels nationally, a dramatic reduction in customer complaints and the capacity to focus on broader financial inclusion, working with the Job Centre and other partners to introduce welfare reform to the borough's residents.

4.6.5   The Council's shared legal service, One Legal, has been expanded to include Gloucester City Council as well as Tewkesbury and Cheltenham Borough Councils.

4.6.6   The Council has demonstrated through the delivery of the Transform programme to date that it is open to any ideas which maintain high quality services to our customers but at the same time reduced costs to our tax payers.

4.7   Value for money

4.7.1   These are unprecedented times for budget setting, with significant cuts in public spending. The Government have an ambition of running a surplus budget at a national level and have therefore embarked on a journey of reduced spending on public services. A number of services are protected from these reductions and so unprotected services, of which Local Government is one, have seen significant cuts over the last 5 years. In addition, the economy has been in a poor position in the last five years but recently there have been the signs of recovery based on apparent solid foundations.

4.7.2   To counter these impacts, the Council continue to set an annual budget within the context of a rolling five year resource strategy. A longer term strategic view is taken when decisions are made that have a financial impact beyond the annual budget which enables us to assess the sustainability of such

decisions. The financial strategy is linked to our key strategic objectives and incorporates both national and local improvement priorities which have been included in our individual service plans and strategies.

4.7.3   A key component for the Council in tackling the financial issues it faces, is the ongoing dialogue and collaboration with Members. In previous years the Council has maintained several working groups including the Budget Working Group, Income Working Group and Transform Working Group. A decision was taken in early 2014 to combine all three working groups into one to provide a consistent and joined up approach to issues which previously cut across more than one working group. This has resulted in more effective meetings and output from the working group.

4.7.4   As well as working with Members on budget development, a new framework will be introduced in 2015/16 to ensure that understanding and development of budgets is embedded within the authority and that budget holders are accountable. **This has been identified as a significant governance issue.**

4.7.5   The new Transform Working Group regularly reviews progress against the Business Transformation strategy. The delivery of the strategy is essential in delivering a balanced budget for the Council whilst retaining and improving the services it offers to the public and businesses within the Borough. The strategy is not about simply cutting resources from services but about rethinking and redesigning services to deliver efficiency savings and better outcomes.

4.7.6   In 2014/15 there were a number of service reviews completed under the business transformation agenda. These included a review of the operation of the Council's waste services and full service review in Revenues and Benefits. Significant improvements in service delivery were realised within the reviews and efficiency savings of £171,000 banked against an in-year target of £150,000.

4.7.7   The Council also made a number of decisions in 2014/15 that will have beneficial impacts for future years targets under Business Transformation. These include the transfer of depot based services to Ubico Ltd which should generate savings of nearly £100,000 per annum from 2016/17, the construction of a new leisure centre operated by a third party will see a return of 3% on capital invested, the expansion of One Legal with Gloucester City saves £19,000 for this Council and a reorganisation of the Business Transformation Group generates a further £24,000. The work programme for 2015 includes reviews of Customer Services, Planning and Environmental Health.

4.7.8   2014 saw the delivery of an office refurbishment for the Public Service Centre which has enabled the rationalisation of space used by the Borough Council. The surplus space was used to host the May 2015 elections but can now be let to partner organisations who will enhance the public service centre ethos within the building. The Council's wider asset base continues to come under scrutiny to ensure only assets required for service delivery are retained and where they are retained, they are operated and maintained efficiently. A number of Council assets were disposed of in 14/15 including play areas and chapels with further disposals expected in 2015.

4.7.9 A new Procurement Officer Group was established in 2014 to ensure the delivery of the Procurement Strategy and ensure good practice is embedded within the organisation. The 2015/16 budget saw £115,000 of procurement savings banked and 2015 will see the role out of new Contract Procedure Rules and Officer training.

4.710 Despite the financial climate and challenges, the Council continues to deliver value for money while freezing Council tax for the fifth year running. The Band D equivalent of £99.36 is the lowest in Gloucestershire and the 5th lowest in the country. This level is over £40 below the bottom quartile threshold and £60 below the national average for Council tax in a second tier authority.

4.7.11 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. Their Audit Findings include the following statement 'in a period of austerity, the Council has, to date, managed its finances effectively'.

4.8 Communications

4.8.1 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.

4.8.2 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.

4.8.3 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.

4.8.4 Through all of our channels of communication, and in line with our new Communications Strategy (2015-2017), 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.

4.9   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 2015.

4.9.2   The last full review of the Council's constitution was undertaken at the end of 2007.   Since that time, as stated in paragraph 4.9.1 above, it has been updated on a piecemeal basis taking account of changes to the political and management structure of the Council.   In order to ensure good governance and open government a comprehensive update of the constitution will be undertaken including any revisions required following all out Council elections in 2015.   **The review of the constitution has been identified as a significant governance issue.**

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   There are satisfactory arrangements in place for the management of risk. The Council has a risk management strategy in place which is programmed for review in 2015/16. A corporate risk register of key business risks is maintained and reported at each Audit Committee. All significant projects are monitored a corporate project management database, Sharepoint and each project is supported with a risk register. 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. Risk management is a standard Corporate Management Team agenda item and the corporate committee report template includes a risk implication section.

4.10.2 Business continuity is a strand of risk management. The corporate Business Continuity Group (BCG) has facilitated the completion of individual service continuity plans which has previously been identified as a significant governance issue. An action outstanding from the work of the group is to test the Council's business continuity arrangements. This action has been carried forward into 2015/16. As this **testing of the plan** is outstanding it will 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 or frauds reported during the year.

4.11.2 The Council has successfully transferred responsibility for investigating Housing benefit fraud to the new Single Fraud Investigation service (SFIS). The Council retains an officer to support early detection and to work with SFIS on case work in addition to focusing on other areas of fraud across the service.

4.12 Audit Committee

4.12.1 The Audit Committee has received training on the new Public Sector Internal Audit Standards. However further training will be undertaken in 2015/16 following changes to Committee membership following the Elections in 2015. 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.*

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 Budget Working Group.

- 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, incompliance 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 The Council's final year in office has seen the delivery of extensive training and development. The programme has focused on two main areas; the first being the Joint Core Strategy as the strategy progressed towards an examination in public commenced in May 2015 and the second being the budget and the financial pressures facing the Council. The National Local Government Network delivered a "Gaming the Cuts" Workshop and various seminars on the budget, finance and transform projects, such as the transfer of the Waste Service to Ubico, as Members worked towards setting a balanced budget for 2015/16. Other areas of development included delivery by South West Councils of 'Bringing Money into your Ward', 'Community Infrastructure Levy' delivered by the Planning Advisory Service and a self-help IT Pilot Group aimed at developing Member IT skills in basic Microsoft applications.

4.15.2 A programme of workforce development was commenced in 2014/15 using data from the annual assessments undertaken under the new Behaviours Framework. In addition, a management development programme was undertaken to support managers in their roles and ensure their skills and competences are developed. Phases 1 and 2 have been completed in 2014/15 and phase 3 of this ongoing programme will be undertaken in 2015/16. This will include supported learning sets and coaching and wider engagement with the whole workforce to support ongoing corporate improvement. The Council's workforce is recognised as its most important asset. Therefore, establishing an effective and cohesive approach to the development of the Council's workforce is essential. The findings of the Peer review recognised that the Council needed to take a more proactive and planned approach to workforce development. In response a **Workforce Development Strategy** will be developed in 2015/16. This strategy will draw together the actions and resources required to develop and maintain a workforce which has the necessary competences to meet the needs of the

Council Plan and the changing environment in which the Council operates. **This has been identified as a significant governance issue.**

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. The committee has adopted a programme for review and revision of the Council's protocols. The Licensing Protocol and Protocol for Councillors and Officers involved in the Planning Process have been revised and adopted by the Council in January 2014 and April 2015 respectively. The review of the Gifts and Hospitality and Member / Officer Relations Protocols will commence in 2015/16.

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).

4.17.2 Annually, the Chief Audit Executive (Group Manager – Corporate Services) 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 2014/15 annual report, presented at Audit Committee on 25 June 2014, concluded that a satisfactory level of control exists in relation to the Council's governance, risk and systems of internal control.

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 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.

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 has been developed as part of the Transform programme. Customer Services, Environmental Health and Development Services are all subject to
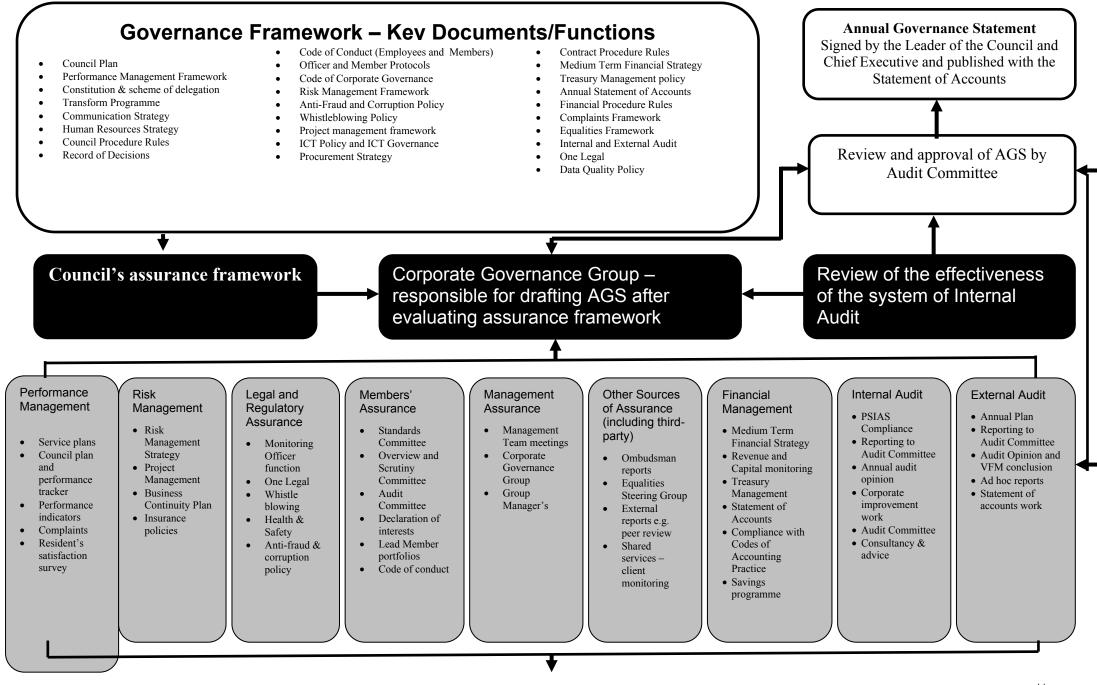
service review during 2015/16. A significant project currently underway is the design and build of a new leisure centre.

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 which expanded in April 2015 to include Gloucester City. Each arrangement is supported with a robust governance structure. On an annual basis, as part of the evidence to support the AGS, Councils provide certificates of assurance to each other. The 2014/15 certificates indicate there are no significant issues to report.

4.19.5 The Council is part of the Gloucestershire Joint Waste Management Committee. A key benefit is 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. The Council's Depot Services function including its waste and recycling services were transferred to the Local Authority Company Ubico, in which the Council is one of the shareholders.

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.

- 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

Council's assurance framework

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

Review of the effectiveness of the system of Internal Audit

Performance Management
- Service plans
- Council plan and performance tracker
- Performance indicators
- Complaints
- Resident's satisfaction survey

Risk Management
- Risk Management Strategy
- Project Management
- Business Continuity Plan
- Insurance policies

Legal and Regulatory Assurance
- Monitoring Officer function
- One Legal
- Whistle blowing
- Health & Safety
- Anti-fraud & corruption policy

Members' Assurance
- Standards Committee
- Overview and Scrutiny Committee
- Audit Committee
- Declaration of interests
- Lead Member portfolios
- Code of conduct

Management Assurance
- Management Team meetings
- Corporate Governance Group
- Group Manager's

Other Sources of Assurance (including third-party)
- Ombudsman reports
- Equalities Steering Group
- External reports e.g. peer review
- Shared services – client monitoring

Financial Management
- Medium Term Financial Strategy
- Revenue and Capital monitoring
- Treasury Management
- Statement of Accounts
- Compliance with Codes of Accounting Practice
- Savings programme

Internal Audit
- PSIAS Compliance
- Reporting to Audit Committee
- Annual audit opinion
- Corporate improvement work
- Audit Committee
- Consultancy & advice

External Audit
- Annual Plan
- Reporting to Audit Committee
- Audit Opinion and VFM conclusion
- Ad hoc reports
- Statement of accounts work

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

Tewkesbury
Borough Council

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	Embedding of budget understanding/ development/ ownership	• Provision of financial training (external) for budget holders • Develop and implement a detailed and robust financial reporting process for Members and Officers • Provide dedicated accountancy support for all services	September–December 2015	Group Manager Finance & Asset Management
2	Business Continuity	• Testing of Business Continuity arrangements	December 2015	Business Continuity Group
3	Constitution update	• Review of Constitution including the Responsibility for Functions (Scheme of Delegation) • Update Constitution as necessary	September–December 2015 March 2016	Group Manager Democratic Services
4	Workforce Development Strategy	• Develop and implement a corporate Workforce Development Strategy	September 2015 – March 2016	Group Manager Corporate Services

Signed on behalf of Tewkesbury Borough Council

Councillor Robert Vines   Mike Dawson

Leader of the Council   Chief Executive

Date   Date