

## **TEWKESBURY BOROUGH COUNCIL**

### **ANNUAL GOVERNANCE STATEMENT 2012-13**

#### **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 ..... or can be obtained from ..... 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 2013 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 A new Council Plan (2012-16) was approved at Council on 15 May 2012. On approval, it was promised that the plan would be a live document. Consequently, the plan has been refreshed for 2013/14 to recognise the progress made in implementing the council plan actions. The refresh has reaffirmed the council's vision, five priority themes and key objectives supporting the themes. The Council Plan (2012-16 Year 2) was approved at Council on 16 April 2013.

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 and delivery of these actions are 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.

## **4.2 Performance Management**

4.2.1 The progress of Council Plan actions is monitored and reported through the Council's performance management framework. In particular, a performance tracker has been implemented during 2012/13, specifically to monitor these actions. The tracker has been reported on a regular basis to the Overview and Scrutiny Committee. The tracker has also promoted accountability and transparency as the local media have used it for media releases.

4.2.2 Each service area also produces a service plan prior to the commencement of the financial year. Quarterly updates on financial and business performance are reported to Overview and Scrutiny Committee and their comments considered by the Executive Committee by way of further challenge.

4.2.3 Also introduced during 2012/13, is a Direction of Travel statement for our performance indicators. This enables us to compare the performance of the indicators over the last 3 years. We have re-instigated the benchmarking of comparable indicators with other Gloucestershire Districts and look forward to extending this with other councils during 2013-14. Prior to this, a review of our performance indicators will be undertaken to ensure they align to our priorities.

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.

## **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. 18 formal complaints were received for the period July-December 2012 compared with 42 formal complaints for the period January-June 2012.

4.3.2 A report on complaints received by the Local Government Ombudsman (LGO) is also reported on a six monthly basis at Overview and Scrutiny Committee.

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 2012/13 we worked towards the undertaking of 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 are currently being analysed but top line results are positive, for example; 91% of residents are fairly satisfied or very satisfied with their local area as a place to live and 78% are fairly satisfied or very satisfied with how the council runs things.

#### **4.5 Quality of services**

4.5.1 The council is committed to further developing its public service centre which is located at the council offices. 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, Citizens Advice Bureau and Fairshares.

4.5.2 Having related public services based in 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 shared centre 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. Following ministerial sign off, Jobcentre Plus is also to relocate to these offices during 2013. More than £150,000 of savings for the public services has been achieved to date.

4.5.4 Supporting the public service concept and acting as a driver to make it happen, there are two further projects running alongside each other: the office rationalisation and office refurbishment projects. The £1.388m office refurbishment commences in July 2013 and 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 are introducing 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 will generate an annual saving of £500,000, the council is committed to joining the Local Authority owned company (UBICO), thereby outsourcing the council's delivery of its depot services and generating savings of approximately £150,000 per annum (from year 3). The office rationalisation programme moves into its most significant stage which will result in potential additional rental income of £100,000. At a service level, the procurement of a print contract for Revenues has been established which should help generate savings of approximately £35,000 and with the potential to roll this out corporately.

4.6.2 Despite the financial climate, the council continues to deliver value for money while freezing council tax for the third year running. The Band D equivalent of £99.36 is the lowest in Gloucestershire and the 5<sup>th</sup> lowest in the country. From our residents survey 52% either tend to agree or strongly agree that the council provides value for money with 32% neither agreeing nor disagreeing. The council's focus for 2013/14 is to ensure it continues to have robust systems in place to manage effectively financial risk and opportunities and secure financial resilience.

4.6.3 There is good collaboration between officers and members through the Budget Working Group (BWG) to bridge the budget deficit. The BWG has been 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 will help prepare the Medium Term Financial Strategy for 2014/15-2019/20 and the 2014/15 budget. They will 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. To further strengthen the monitoring arrangements of the savings programme, the 2013/14 programme has a nominated CLT sponsor and below this, each strand of the programme will be assigned to a Group Manager.

4.6.4 The financial resilience of the council is recognised as a significant risk which has been consistently reported during the year, for example through the BWG and through the performance management framework. The **delivery of the 2013/14 savings programme** should therefore be flagged as a **significant governance issue**. Aligned to the savings programme and a significant governance issue from the previous year is to demonstrate effective procurement. A key action was to update the Procurement Strategy and then produce an action plan to deliver the strategy. A new strategy and supporting action plan was approved at Executive Committee on 5 December 2012. In order to demonstrate effective procurement, it will be essential to **deliver the action plan** during 2013/14. This is therefore carried forward as a **significant governance issue** from the previous year.

#### **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 gets 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. Alongside these traditional forms of communication, we are also communicating via social media 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 a Facebook page which is specific for our sports development service. 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 also produce two main e-newsletters. Parish Matters is our quarterly electronic newsletter, which communicates the latest news from the council to our parish 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 Earlier this year we launched our new website. The site is much quicker and easier to use, and we are currently 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 communications strategy, we are open, honest and transparent, which ensures accountability. A new communications strategy will be introduced later this year which will continue to ensure that we are communicating as effectively and openly as possible to all members of our community.

#### **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, high quality services to local residents, businesses and visitors to the borough. In order to meet this challenge we intend to 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 e.g. the organisational review, office rationalisation and office refurbishment projects. With regards to the organisational review the robustness of the governance framework for delivering the review was identified as a significant governance issue within the previous year's AGS. This was mitigated through the approval and delivery of a detailed project plan.
- 4.8.3 Our ambitious programme of change continues, and within the new organisational structure is a Business Transformation function. The vision is to 'drive improvement through change' This will involve organisational and cultural change, supported where appropriate with ICT solutions. A draft Business Transformation Strategy has been developed, for finalisation in

2013 and will inform the council's improvement programme, DRIVE, which is to be refreshed in light of the organisational changes. Leading on from the previous year's significant governance issue of implementing the organisational review, **delivering organisational and cultural change** is recognised as a significant governance issue for this year.

#### **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, the Scheme of Delegation to officers requires revisions and a revised scheme will need to be implemented during 2013/14.
- 4.9.2 Other internal governance issues will also need to be addressed as a result of the organisational review. These will range from financial governance issues such as updating the scheme of budget delegation and corporate signatory list through to general operational governance such as the roles, responsibilities and empowerment of the new Corporate Leadership Team and Group Managers. **An effective governance framework is critical to support the new organisational structure.** This is deemed to be a **significant governance issue.**
- 4.9.3 The Council operates a fourth option form of political governance and, since May 2009, has operated 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 was due to be undertaken in 2012/13 but has now been programmed for 2013/14. This is a good practice exercise and not a significant governance issue. It is the intention to use the Centre for Public Scrutiny to help facilitate this review. 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 review of risk management arrangements was undertaken during the year leading to the update of the risk management strategy and implementation of a new risk register template. Key risks will be reported as part of the 2013/14 quarter 1 performance management framework. Risk management training was provided to members and senior managers during the year.
- 4.10.2 Business continuity is a strand of risk management. The Council's business continuity arrangements were identified as a significant governance issue within the 2011/12 Annual Governance Statement. The corporate business



continuity plan has been reviewed and updated and will be presented to Executive Committee in July 2013. The reformation of the Business Corporate Group (BCG) was a key action during the year in order to facilitate the review of individual service continuity plans, prioritise critical systems and test the arrangements. **The BCG has yet to be reformed so a number of business continuity related actions remain outstanding** and will therefore be carried forward as a **significant governance issue**.

#### **4.11 Fraud and Whistle blowing**

- 4.11.1 A requirement of our external auditors is that a fraud risk assessment is completed in order to gain reasonable assurance that the council's financial statements are free from material misstatement due to either fraud or error. The assessment was noted by Audit Committee on 20 March 2013 and we deem our arrangements to be satisfactory.
- 4.11.2 The anti-fraud and corruption policy has recently been updated and approved by the Executive Committee. 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 instances of internal fraud reported during 2012/13. There is a dedicated Housing Benefit team to investigate Housing Benefit related fraud. During the year, a crackdown on benefit fraud has resulted in more successful prosecutions than ever before. Action was taken against more than 100 benefit cheats, uncovering approximately £114,000 of benefit overpayments due to fraud. The Council is also a member of the National Anti-Fraud Network and participates in the Audit Commission's National Fraud Initiative (NFI). With regards to NFI, Internal Audit has reviewed the matches relating to potential fraudulent or duplicate creditor payments. This work concluded there was a good level of assurance to mitigate the potential for duplicate or fraudulent payments occurring.
- 4.11.3 The council has a Whistle Blowing Policy which was approved in 2011/12 and is advertised on the council's website and intranet. Whistle blowing posters are strategically placed in council buildings and an overview of the policy was provided at staff briefings, alongside the anti bullying and harassment policy. There have been no whistle blowing incidents reported during 2012/13.

#### **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*. The committee is also broadly compliant with the CIPFA Better Governance Forum publication '*A Toolkit for Local Authority Audit Committees*'. It is understood that CIPFA is planning to produce a new publication on audit committees in the latter part of this year and this may contain an updated evaluation tool.

#### **4.13 Role of the Chief Financial Officer**

- 4.13.1 The council's 2012/13 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 Director of Resources (DoR) and are fulfilled in a number of ways, for example:

- The DoR is a key member of the Corporate Management Team, helping it to develop and implement strategy and to resource and deliver the authority'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.
- On-going 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 and senior officers 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 designated 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 2012/13, Members have received extensive training and development with a particular focus on planning which has included a plan-making workshop, seminars on the National Planning Policy Framework and a programme of development events in relation to the Joint Core Strategy. Other development work has included Chairing Skills and Meeting Management training, the new Standards Regime, Understanding Scrutiny Processes and Techniques, Social Media training, risk management training, budget and business rates pooling and a Community Infrastructure Levy and Place Planning seminar. During the latter part of 2012/13, a Training Needs Review Survey was conducted, the results of which are currently being analysed to inform further development work.

4.15.2 Officer development needs are traditionally identified through the annual Joint Annual Review (JAR) process. This process provides the link between the high level council plan priorities, service plans and individual development needs. With regards to senior officers, their development needs are currently being assessed, in light of any new roles and responsibilities as a result of the new management structure.

#### **4.16 Standards Committee**

4.16.1 This is a newly established committee whose role it is to help promote and ensure high standards of member conduct and behaviour including those in town/parish councils and to assist members and co-opted members to observe the Code of Conduct. The Council adopted a new conduct regime, effective from July 2012, as required by the Localism Act 2011. The Standards Committee has monitored implementation of the new arrangements.

#### **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 the results of this were reported to Audit Committee on 26 June 2013. This concluded that the Council's Internal Audit function is effective.

4.17.2 Annually, the Performance and Audit Manager 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 2012/13 annual report, presented at Audit Committee on 26 June 2013, concluded that a satisfactory level of control exists.

4.17.3 This conclusion was based upon 73 'split' audit opinions. Of these, only 4 opinions were of a 'limited' assurance nature: - Trade Waste (accuracy of database and receipt of waste transfer notices), Creditors (ordering and purchase of goods and services - non-compliance with Financial Procedure Rules), S106 agreements (monitoring arrangements) and **Playground Inspections (regularity and recording of)**. In respect of the latter, the council takes its health & safety responsibilities seriously and the audit findings would support this being identified as a **significant governance issue**.

#### **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. For 2012/13 this post was supported by a Corporate Management Team (CMT) consisting of 3 directors and the Borough Solicitor. The review of this management structure formed part of the organisational review. The restructure was approved at Council on 21 February 2013 and has created a new Corporate Leadership Team (CLT) with the Chief Executive being supported by a Deputy Chief Executive and Borough Solicitor.

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 CMT 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,

including 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. 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.

4.19.3 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 are considered further. Ensuring effective governance arrangements for delivery of the Depot Services function was identified as a significant governance issue in 2011/12. This would be implemented as and when the governance issues are resolved.

4.19.4 A programme of strategic service reviews were programmed for 2012/13 but were deferred in light of the organisational review. These will be re-instigated following implementation of the organisational review and will be considered as part of the new and dynamic business transformation programme. A Business Transformation Strategy is currently being drafted, for presentation at Executive Committee in September.

## **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 within the authority 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, including business and financial performance being 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.

- Regular monitoring of the corporate improvement programme by the DRIVE board.
- Programme board of senior officers who monitor delivery of key corporate projects.
- 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 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.
- Early 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.

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
- DRIVE Improvement 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 Plan/Budgets
- Treasury Management Framework
- Annual Statement of Accounts
- Financial Procedure Rules
- Complaints Framework
- Equalities
- Internal and External Audit
- One Legal
- Data Quality

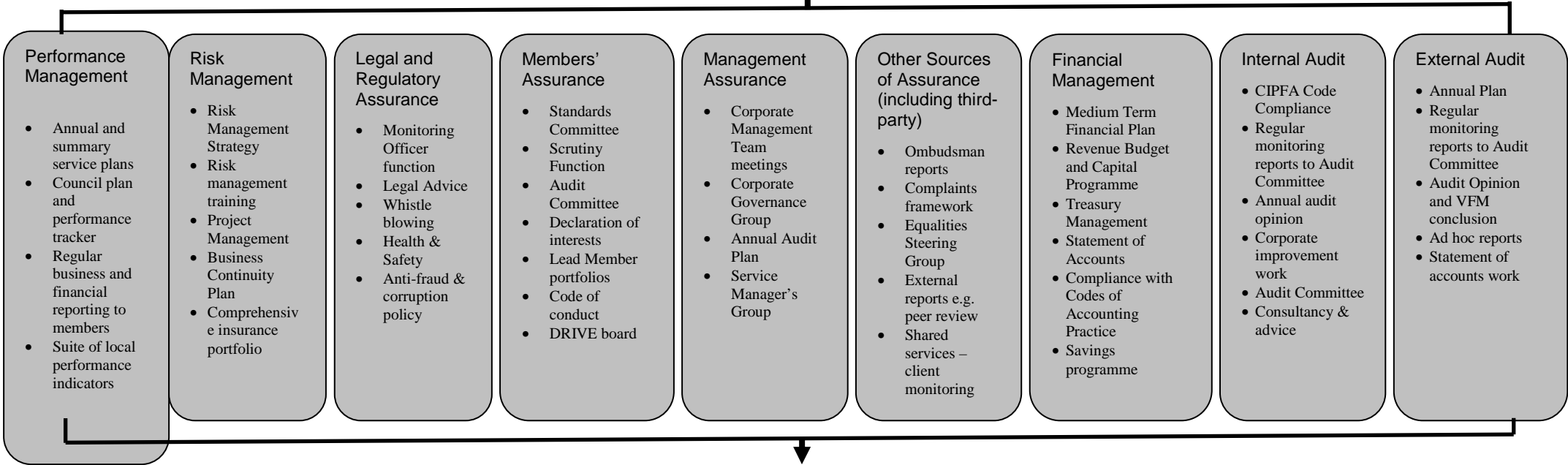
**Annual Governance Statement**  
Signed by the Leader of the Council and Chief Executive and published with the Statement of Accounts

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	Delivery of the 2013/14 Savings Programme	<ul style="list-style-type: none"> <li>Nominated CLT project sponsor</li> <li>Individual strands of the programme allocated to a lead officer</li> <li>Regular monitoring by Budget Working Group</li> </ul>	July 2013  July 2013  March 2014	Corporate Leadership Team
2	Demonstrating effective procurement	Deliver the supporting action plan including: <ul style="list-style-type: none"> <li>Re-establish the procurement group</li> <li>Provide procurement training</li> <li>Develop a programme based on spend analysis</li> <li>Publish a 'selling to the council' guide</li> </ul>	March 2014	Group Manager Business Transformation
3	Delivering effective organisational and cultural change	<ul style="list-style-type: none"> <li>Approval of Business Transformation Strategy</li> <li>Development of Business Transformation Programme</li> </ul>	March 2014	Chief Executive
4	Effectiveness of governance framework to support the new organisational structure	<ul style="list-style-type: none"> <li>Update scheme of delegation</li> <li>Update scheme of budget delegation</li> <li>Update corporate signatory list</li> <li>Realign budgets and payroll</li> </ul>	December 2013 Aug 2013  September 2013	Group Manager Democratic Services/Group Manager Finance & Asset Management
5	Demonstrating effective Business Continuity	<ul style="list-style-type: none"> <li>Reform the Business Continuity Group</li> <li>Review and update service continuity plans</li> <li>Identify and prioritise the council's critical systems</li> <li>Test the effectiveness of the Business Continuity arrangements</li> </ul>	March 2014	Business Continuity Group
6	Maintaining adequate Health & Safety arrangements	In relation to the management of playground inspections: - <ul style="list-style-type: none"> <li>Training for inspectors</li> <li>Introduction of good practice RoSPA inspection template</li> <li>Playgrounds to be risk assessed</li> <li>Improved documentation of defect resolution</li> </ul>	September 2013	Group Manager Finance & Asset Management

Signed on behalf of Tewkesbury Borough Council

Councillor Robert Vines  
Leader of the Council

Date

Mike Dawson  
Chief Executive

Date