

Annual Governance Statement 2015/16

Scope of Responsibility

The Authority 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. The Authority also has a duty under the Local Government Act 1999 (as amended) 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.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Authority 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 http://www.tamworth.gov.uk/council_and_democracy/governance.aspx. This statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an annual governance statement.

The Purpose of the Governance Framework

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 is accountable 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.

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

The Governance Framework has been in place at the Authority for the year ended 31 March 2016 and up to the date of approval of the statement of accounts.

The Governance Framework

The Code of Corporate Governance is a public statement which sets out the framework through which the Council meets its commitment to good corporate governance and is based on the following principles:

- 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.

These principles have supporting principles identified in the Code. The Code also identifies what assurance we want and what assurance we get to ensure that these principles are in place. Links to the various supporting assurance documents are included in the Code. This statement provides an overview of our governance arrangements, how our assurance framework is made up and details of the review of the governance framework effectiveness completed during the financial year. Full details of the governance framework are noted in the Code of Corporate Governance.

The Assurance Framework

Our strategic framework was reviewed and revised in 2015/16 and sets out our vision “**One Tamworth, Perfectly Placed**” - **Open for business since the 7th Century A.D** and three strategic priorities aligned under “Living, Growing and Delivering in Tamworth”. These priorities are underpinned by specific objectives, our core purpose, customer service standards and corporate values. Full details of which can be found in the Annual Review and Corporate Plan.

Each year, the Authority undertakes consultation with local people on a wide range of issues. During 2015/16, local people were consulted on the Authority’s budget and spending, the Local Council Tax Reduction Scheme, Homelessness Prevention Strategy 2016-20, the Indoor and Outdoor Sports Facility Strategy and the Customer Access Strategy.

The 'Tamworth Listens' initiative aims to improve communication between Councillors and the public, and to ensure that the Authority is aware of issues which affect the public. Events take place throughout the year where the public can give ideas and ask questions about what would make Tamworth a better place to live.

The information collected from this initiative is fed into the annual State of Tamworth Debate. This is an opportunity for councillors to discuss and debate the findings of this consultation. Members of the public are invited to come along and listen to the debate.

Tamworth's third Question Time event took place at Tamworth Assembly Rooms on Wednesday 18 November 2015, when a panel of The Leader of Tamworth Borough Council, the police, health and County Council representatives answered questions. The event was split into three themes - Healthier Communities, Safer Communities and Regeneration and Growth.

The Authority has both a moral and legal obligation to ensure a duty of care for children and adults with care and support needs across its services. We are committed to ensuring that all children and adults with care and support needs are protected and kept safe from harm whilst engaged in services organised and/or provided by the Council. We do this by:

- Having a Child & Adult Safeguarding Policy and procedures in place;
- Having Child & Adult Safeguarding Processes which give clear, step-by-step guidance if abuse is identified;
- Safeguarding training programme in place for staff and members;
- Carrying out of the appropriate level of Disclosure & Barring Service (DBS) checks on staff and volunteers;
- Working closely with Staffordshire Safeguarding Children's Board & Staffordshire & Stoke-on-Trent Adult Safeguarding Partnership.

The Authority ensures accountability and openness through the publishing of the Corporate Plan and the Annual Review which detail proposed plans for the coming year and achievement of objectives for the previous year.

The Statement of Accounts is made available to the public on the website both at draft and final stage and is subject to External Audit scrutiny & review. The Authority has a balanced three year Medium Term Financial Strategy (MTFS). The delivery of a balanced MTFS (three years for the General Fund, Housing Revenue Account (HRA) and the Capital Programme) is a major achievement for the Council in light of the adverse economic conditions and increased financial demands from Central Government for service improvements in areas such as local democracy and transparency – as well as substantial reductions in Government Grant support in the future.

We have a Performance Management Framework in place which brings together all of our performance information and ensures that our performance

against our intended outcomes as identified in the Corporate Plan, making the best use of resources available whilst obtaining value for money, is measured, monitored and reported on a quarterly basis. Details of performance against target are made available on the Authority's website.

The Constitution and Scheme of Delegation are reviewed and approved annually at Full Council. They detail roles and responsibilities of Members and the Statutory Officers and the protocol on Member/Officer relations. All new Members are given induction training which covers conduct and standards of behaviour. Members and Officers are required to declare gifts and hospitality and to register their interests. A Code of Conduct for officers has been included in the revised Constitution. There is an E-Induction programme in place which includes a section on conduct. All new staff and Members are required to complete an induction programme. On-going development of Members and Officers is identified through the Performance Development Review (PDR) process which is completed annually.

All Members and Officers are responsible for ensuring that risks are identified and appropriately managed. The Authority has in place a Risk Management Strategy, which was reviewed and adopted by the Audit & Governance Committee in October 2015.

Corporate Risks have been identified and are reviewed and updated on a quarterly basis. The Corporate Risks are owned and managed by Corporate Management Team and reported to the Audit & Governance Committee as part of the assurance process.

The Authority has in place a Counter Fraud & Corruption Policy Statement, Strategy and Guidance Notes and a Whistleblowing Policy which were reviewed and adopted by the Audit & Governance Committee in October 2015 and are available on the website.

Under the Corporate Priority – Delivering Quality Services in Tamworth, the Authority continues to complete a Corporate Improvement Programme. The Authority launched the Customer Services Review Project alongside Tranche II of the Agile Working Project in 2015/16.

The Authority has seen an incremental shift away from the “command and control” top down management style and culture to one of a fully empowered organisation with clear lines of responsibility and accountability leading to a more outcome focused, customer driven and efficient way of working.

In accordance with Section 38 of the Localism Act 2011, the Authority has updated and published a Pay Policy Statement setting out the Authority's approach to pay for all its officers.

The Authority's 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 Executive Director

Corporate Services (the Chief Financial Officer) reports directly to the Chief Executive and is a member of the Corporate Management Team (CMT). The Chief Finance Officer is professionally qualified and his main responsibilities include those set out in the CIPFA Statement on the role of the Chief Finance Officer in Local Government and also as detailed in the Constitution.

The Authority's Assurance Arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)*. The Head of Internal Audit Services fulfils this role and is professionally qualified and reports directly to the Executive Director Corporate Services who is a member of the Corporate Management Team.

The Solicitor to the Council fulfils the role of the Monitoring Officer, the functions of which are detailed in the Constitution and include the responsibility for ensuring that the Authority follows agreed procedures and that all applicable statutes, regulations and other relevant statements of good practice are complied with, for example, changes that have been required regarding the Localism Act 2011 and the Local Authority (Executive Arrangements) (Access to Information) Regulations 2013.

The Chief Executive fulfils the role of the Head of Paid Service, the functions of which are detailed in the Constitution.

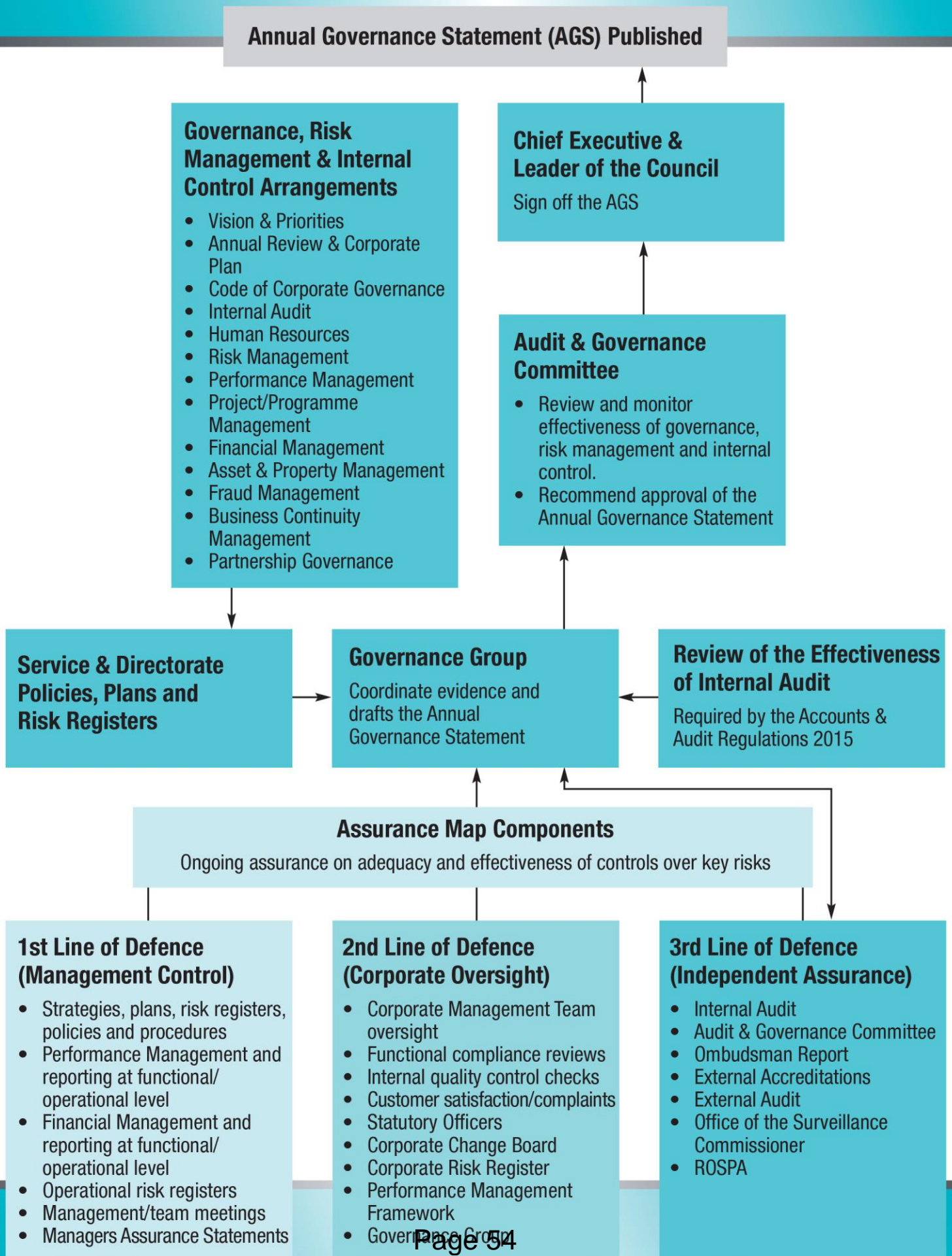
The Audit & Governance Committee has been in place since 2006 and its role and function are laid down in the Constitution. The core functions are as identified in *CIPFA's Audit Committees: Practical Guidance for Local Authorities*. Each year, the Committee completes a self-assessment against CIPFA guidance to ensure compliance. The Chair reports to the Full Council on an annual basis on the actions taken by the Committee during the year.

The Leader of the Council reported to Full Council on the 24th May 2016, in compliance with the Local Authorities Executive Arrangements) (Meetings & Access to Information) Regulations 2012, that no urgent executive decisions had been made for the period to 30 April 2016.

In compliance with the Localism Act 2011, two Independent persons have been appointed to join the Audit & Governance Committee when required to deal with Members Code of Conduct issues. Procedures have been adopted for making complaints against a Councillor for an alleged breach of the Code of Conduct.

The Assurance Framework

The diagram below shows how the Assurance Framework is made up



Review of Effectiveness

The Authority 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 the Executive Managers 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 as detailed below:

- During 2015/16, the Governance Group has reviewed and updated an assessment against the principles of the CIPFA/IFAC International Framework: Good Governance in the Public Sector;
- Both the CIPFA Statement on the Role of the Chief Finance Officer and the CIPFA Statement on the Role of the Head of Internal Audit were reviewed and updated and reported to the Audit & Governance Committee;
- The Head of Internal Audit Services reports to the Audit & Governance Committee on a quarterly basis and provides an opinion on the overall effectiveness of the system of internal control based upon the work completed. For the 2015/16 financial year and 2016/17 to date, the Head of Internal Audit Services' overall opinion of the control environment at this time is that "**reasonable assurance**" can be given;
- From the 1st April 2013, Internal Audit are required to comply with the Public Sector Internal Audit Standards. As part of the requirement of compliance, Internal Audit are required to complete an annual self-assessment against the Standards and produced a Quality Assurance & Improvement Programme(QAIP) which identifies areas for improvement both to ensure compliance with the Standards and other quality areas. The self-assessment against the standards and the QAIP are reported to the Audit & Governance Committee. An external verification of the self-assessment will be completed in 2016/17;
- Our External Auditors report to each Audit & Governance Committee. In their Annual Audit Letter, they gave an unqualified opinion on the Statement of Accounts, an unqualified conclusion in respect of the Authority securing economy, efficiency and effectiveness, and an unqualified opinion on the production of the Whole of Government Accounts;
- The Ombudsman report (June 2015) on the enquiries and complaints they received in 2014/15. In total, they received 10 enquiries / complaints of which 7 required decisions – 3 were referred back to the Authority for local resolution, 2 were closed after initial enquiries and 2 were not upheld;

- Managers Assurance Statements have been completed by Directors and Heads of Service and have not identified any significant control issues;
- The Corporate Risk Register is owned and reviewed on a quarterly basis by the Corporate Management Team and reported in the Quarterly Healthcheck to Cabinet and also reported in the risk management update to the Audit & Governance Committee. There are no significant risks on the Corporate Risk Register;
- The Performance Management Framework ensures that the Financial Healthcheck is reported to Cabinet on a quarterly basis and made readily available on the Authority's website;
- The Authority retained The Code of Connection Certificate after completing an annual assessment against the Code which included assessments against governance, service management and information assurance conditions. Compliance with the Code of Connection ensures access to the Public Services Network;
- In July 2014, the Office of the Surveillance Commissioner completed an assessment of the Authority's RIPA Policy and Procedures, the results of which were reported to Council. In May 2015, staff were issued the Policy for acceptance and understanding. The Policy was reviewed and updated and approved by full Council in February 2016. A quarterly update report is presented to the Audit & Governance Committee on the use of RIPA powers. During 2015/16, no RIPA authorisations were made.
- Financial Regulations, Contract Standing Orders and Financial Guidance are reviewed on a regular basis with the last review being approved by the Audit & Governance Committee in March 2016;
- No issues were raised through the Counter Fraud and Corruption and Whistleblowing Policies;
- There were no data security breaches/lapses during the financial year;
- The Chairs of the Audit & Governance and Scrutiny Committees submitted their Annual Reports to Full Council;
- The Authority complies with the Transparency Code;
- Following the transfer of Housing Benefit Fraud Investigation to the Single Fraud Investigation Service, we retained expertise in-house through the appointment of a Corporate Anti Fraud Officer to investigate potential corporate fraud activity.

- Internal Audit completes an annual assessment of the risk of fraud which is reported to the Audit & Governance Committee. Assessments against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, the Fighting Fraud & Corruption Strategy & Checklist have been completed. Having considered all of the principles, we are satisfied that the authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

Declaration

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The significant governance issues already addressed and those to be specifically addressed with new actions planned are outlined in the attached **Annex 1**. Other minor issues highlighted through the assurance gathering process have been noted with planned actions to address these issues. Monitoring of the completion of these issues will be completed through reporting to the Audit & Governance Committee.

We propose over the coming year to take steps to address those matters raised 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 operations as part of our next review.

Signed

D Cook

A E Goodwin

Leader

Chief Executive

Date

On behalf of the Authority

This information can be produced on request in other formats and languages. Please contact Internal Audit Services on 01827 709234 or email enquiries@tamworth.gov.uk

This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Corporate Services.

Significant Governance Issues 2015/16

The significant governance issues identified in relation to the Authority achieving its vision in 2015/16 are:

No	Issue	Action
1	<p>Medium Term Financial Strategy (MTFS)</p> <p>Whilst actions have been taken to ensure that the MTFS remains balanced, this is still a significant risk to the Authority. Revenue Support grants will be removed around 2020. Opportunities and risks associated with the 100% Business Rates Retention will need to be identified. The increasing demands of our customers also need to be considered.</p>	<p>Review on a regular basis the plans in place to deliver the MTFS to ensure that plans remain realistic and achievable including development of the Sustainability Strategy to address future financial constraints. Work with the Local Government Association (LGA) responses to the Department for Communities & Local Government (DCLG) on how the Business Rate Retention Scheme will operate.</p>
2	<p>Regeneration/Capital Projects</p> <p>The Authority needs to ensure that capital projects are managed effectively to ensure that they are delivered and grant monies are spent appropriately and timely.</p> <p>There is a risk that developers will not develop schemes on a timely basis in accordance with the Local Plan need.</p>	<p>Maintain and review project plans on a regular basis to ensure that they can be delivered in accordance with the Capital Programme.</p>
3	<p>Better Care Fund & Disabled Facilities Grants</p> <p>There is a risk that the Authority will not be fully funded to deliver the need for Disabled Facilities Grants.</p>	<p>Assessment of needs to be linked to the grant money received.</p>

Significant Governance Issues 2014/15

The significant governance issues identified in relation to the Authority achieving its vision in 2014/15 were:

No	Issue	Action	Update
1	<p>Medium Term Financial Strategy (MTFS)</p> <p>Whilst actions have been taken to ensure that the MTFS remains balanced, this is still a significant risk to the Authority.</p>	<p>Review on a regular basis the plans in place to deliver the MTFS to ensure that plans remain realistic and achievable including development of the Sustainability Strategy to address future financial constraints.</p>	<p>Quarterly updates are provided to Cabinet as part of the Performance Management Framework and include the delivery of planned savings, additional National Non Domestic Rates (NNDR) income and government grants.</p>
2	<p>Town Centre Redevelopment</p> <p>The Authority is progressing plans for the redevelopment of the Town Centre.</p>	<p>Maintain and review plans on a regular basis to ensure that they can be delivered in accordance with the MTFS.</p>	<p>Significant grant funding was obtained which will enable the Enterprise Quarter project to commence in early 2016. This is the first major regeneration project in the town.</p>
3	<p>Housing Regeneration</p> <p>An in-depth study of council housing in Tamworth has identified that some housing in Tinkers Green in</p>	<p>The regeneration of Tinkers Green and Kerria areas are progressing well with Development Consultants appointed and</p>	<p>Outline planning permission for both sites has been granted. Moving to the next stage will involve the procurement of a</p>

	<p>Wilnecote and the Kerria Centre in Amington was unpopular with residents, outdated and unsuitable for current housing needs.</p>	<p>currently developing master planning proposals. These will be submitted for approval by the Council's Planning Committee later this year. It is anticipated that the project will move to detailed design stages during 2015 and a developer procured during this period.</p>	<p>developer. Decant of existing residents is progressing well. Letting of the demolition contracts will commence shortly.</p>
4	<p>Land redevelopment (former Golf Course)</p> <p>Following Cabinet approval a project has been established to investigate and implement the redevelopment of the site for housing including the provision of significant open space. A project team has been established and external support procured to instigate the site constraints and prepare for an outline planning application prior to a sale of the site. Note some land will be withheld by the Council for public open space.</p>	<p>Work continues to deliver the high level project plan as approved by Cabinet.</p>	<p>Outline planning consent was achieved in August 2015 and the land was sold on 21st January 2016.. .</p>