

Annual Governance Statement 2013/14

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 2011, regulation 4(3), 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 2014 and up to the date of approval of the statement of accounts.

The Governance Framework

Our vision “One Tamworth, Perfectly Placed” was endorsed in 2011/12 as a single vision by this Authority along with our partners – County Council, Police, Health Service, Fire & Rescue Services, Voluntary Sector and others. The intended outcomes (corporate priorities) and actions to fulfil these are identified in the Corporate Plan. The Corporate Priorities are “To Aspire & Prosper” and “To be Healthier & Safer”. To align with the corporate priorities, the Authority has “Statements of Intent” for **People, Place & Organisation**.

Some of the key elements of the systems, processes and controls that comprise the Authority’s governance arrangements are set out below in line with our statements of intent. Further details of the systems, processes and controls in place can be found in the Code of Corporate Governance.

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.

People

Every year, the Authority undertakes consultation with local people on a wide range of issues. Further details can be found in the Code of Corporate Governance. In August 2013, Cabinet endorsed “Planning for a Sustainable Future” as the overarching strategy for meeting the challenges forecast for the Council’s Medium Term Financial Strategy and a series of workstreams designed to deliver savings & efficiencies to mitigate grant & income reductions in the coming years. Survey and consultation results are made available on the website. Communication and feedback is also completed through several publications which are made available on the website.

We use various types of media to communicate our vision and priorities. Examples are the Corporate Plan and quarterly reporting on achievements. All documents are available on the Authority's website and in hard copy format.

During 2013/14 Tamworth Listens initiative was a question time event held at the Assembly Rooms on the evening of 16th October 2013. This gave residents of Tamworth the opportunity to ask a panel of public sector representatives questions about Tamworth. The event was split into 2 themes; Future plans for the Town Centre, Safer Tamworth and a section for general questions. The event was well attended. Due to time constraints, not all questions were able to be answered; and those not answered at the event were given a written response following the meeting.

The Authority has adopted a Statement of Community Involvement which sets out the Vision & Strategy for community involvement in planning. It is the Council's code of practice on how people can be expected to be involved in the planning process. It covers the production of different types of planning policy documents, and the different stages for each one.

There is a "Tell Us Scheme" in place which captures comments, compliments and complaints. The "Tell Us Scheme" is due for review in 2014/15.

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

- Having a Child & Adult Protection Policy and procedures in place;
- Having child & adult protection processes which give clear, step-by-step guidance if abuse is identified;
- Safeguarding training programme in place for staff and members;
- Carrying out the appropriate level of DBS checks on staff and volunteers;
- Working closely with Staffordshire Safeguarding Children Board & Staffordshire & Stoke-on-Trent Adult Safeguarding Partnership.

Place

The Tamworth Strategic Partnership (TSP) is an umbrella partnership that brings together key local agencies from the public, private, voluntary and community sectors with the vision and priorities aligned to the Authority's. The TSP has in place a strategic plan, terms of reference, workstreams with lead officers and champions. Partnership Governance guidance has been developed for use in all partnerships.

The Authority is working to promote private sector growth and create quality employment locally. Some of the achievements during 2013/14 include, improvements to be made to the Tamworth Castle which successfully gained Heritage Lottery Funding; progression of the Gateway Projects with the County Council; development of the Creative Quarter, and influencing both the Greater Birmingham

and Solihull Local Enterprise Partnership (GBSLEP), and the Staffordshire and Stoke-on-Trent Local Enterprise Partnership, with successful outcomes for Tamworth.

Following the successful implementation of Council House Finance Reform the 30 year business plan was refreshed during 2013/14.

The Tamworth Growth & Regeneration Plan has been adopted and sets out the economic context we are operating in, identifies the Council's strategic approach to growth & regeneration and brings together a range of key strands – connecting together the varied work streams that are being delivered internally and in some cases externally.

Organisation

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 Annual Review also details the summary accounts for the financial year. The Statement of Accounts is made available to the public on the website both at draft and final stage. The Authority has a balanced three year Medium Term Financial Strategy. The delivery of a balanced Medium Term Financial Strategy (three years for the General Fund and five years for the Housing Revenue Account (HRA) 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.

During 2013/14, a Peer Assessment was completed and the Peer team feedback and final report were extremely complimentary about the political and managerial leadership and its ability to lead, plan and deliver against a clear Vision. The Peer Assessment Team assessed and reviewed five core components:

- Understanding of local context and priority setting;
- Financial planning and viability;
- Political and management leadership;
- Organisational capacity.

The Authority also identified two other areas for the assessment to focus on:

- Community development;
- Partnerships and commissioning.

The Peer Assessment highlighted that the Authority has a clear vision, a sound understanding of the economic drivers impacting on the borough, good working relationships between senior political and managerial leadership, a willingness to stand by tough decisions, staff that have a clear passion and pride and commitment and a Medium Term Financial Strategy based on prudent assumptions. The Assessment also highlighted some suggestions for consideration which has resulted in a high level improvement plan for local context and priority setting, financial

planning and viability, political and managerial leadership, governance and decision making and organisational capacity.

We have a Performance Management Framework in place which 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 is 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.

A Risk Management Strategy is in place which has been formally approved by Corporate Management Team and the Audit & Governance Committee. It is updated and reviewed on a regular basis. There is a Corporate Risk Register in place which is monitored by the Corporate Management Team and reported to the Audit & Governance Committee. Operational risk registers are also identified and managed.

The Authority has in place a Counter Fraud & Corruption Policy Statement, Strategy and Guidance Notes and a Whistleblowing Policy which are available on the website. These are reviewed and revised on a regular basis.

The Authority has been undertaking a change management programme over the last two years. The corporate approach to project management has been strengthened by the strategic overview provided by a Corporate Change Board – set up in 2012/13. Given the nature and overarching significance of the "Planning for a Sustainable Future" initiative, the Corporate Change Board provide the project management and governance arrangements to ensure the effective and timely delivery of the wide ranging actions and associated outcomes and that all necessary authorities and approvals are in place.

A Service Review Policy and Procedure has been developed and further governance arrangements to support this have been identified.

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.

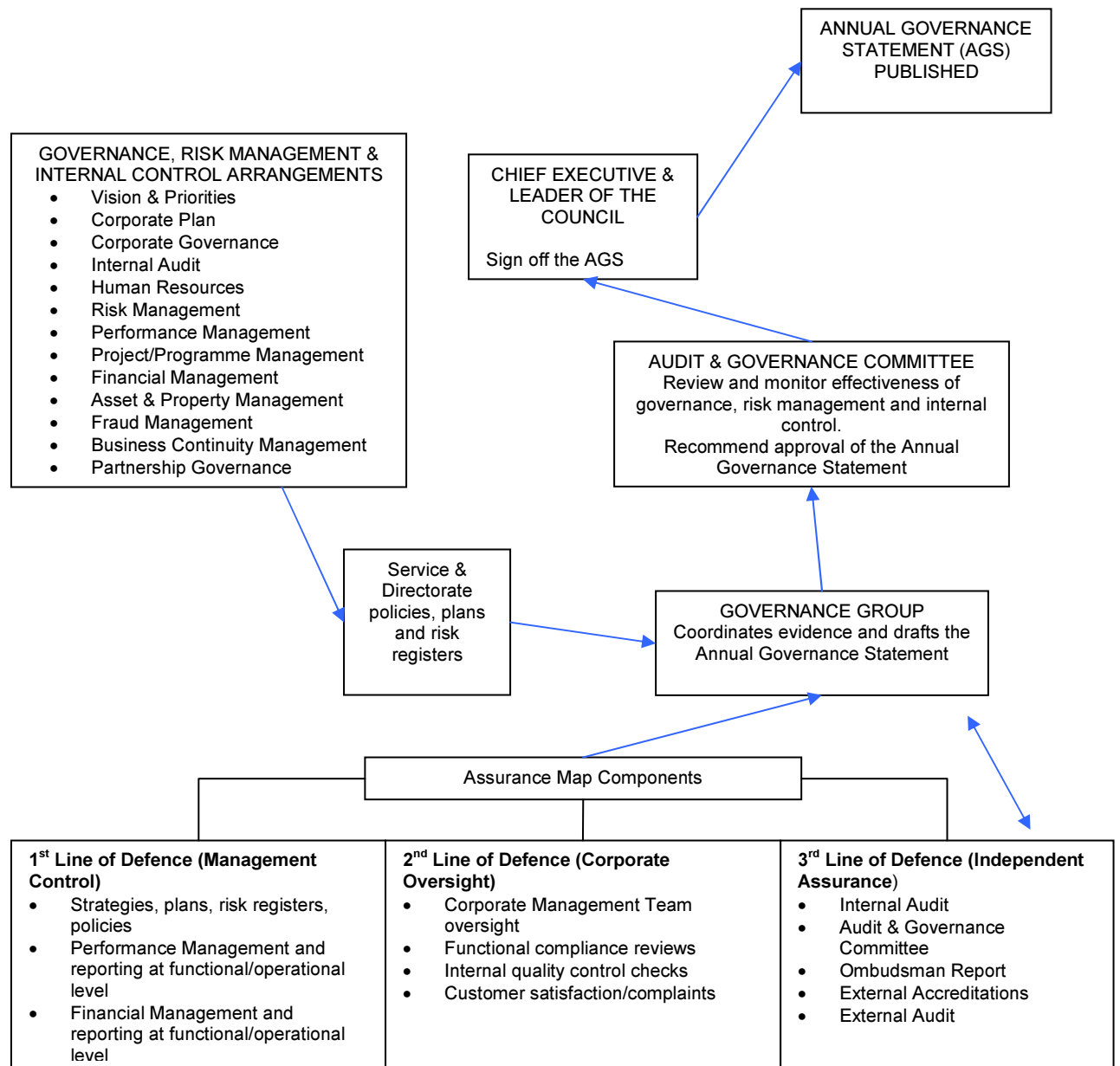
The Audit & Governance Committee has been in place since 2006 and its role and function are laid down in the Constitution. The core functions are as identified in *CIPFA's Audit Committees: Practical Guidance for Local Authorities*. Each year, the Committee completes a self assessment against CIPFA guidance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

Training in specialised areas is provided to members and during 2013/14 the following training was provided to members: Constitution Workshop, Chairing Scrutiny workshop for the Chairs of Scrutiny, Governance Seminar, Protocols & Practice for Council Meetings, and Finance & Treasury Management Seminars. Workshops, seminars and briefings in other areas were also completed.

An Independent Remuneration Panel was established to review Member Allowances.

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 2013/14, the Governance Group has reviewed and updated against the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*;
- 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.
- 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 2013/14 financial year and 2014/15 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 which identifies areas for improvement both to ensure compliance with the Standards and other quality areas.
- Our External Auditors report to each Audit & Governance Committee. In their Annual Audit Letter, they gave an unqualified opinion on the Statement of Account, 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 reported in September 2013 on the enquiries and complaints they received in 2012/13. In total, they received 11 enquiries/complaints of which 7 were passed to the investigative team all of which concluded that there was not enough evidence of fault
- Managers Assurance Statements have been completed 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;

- 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.
- During 2013/14, the Authority commissioned a Peer Challenge to be completed by the Local Government Association. This identified that the Authority had a clear vision, a sound understanding of the economic drivers affecting the Authority, there were good working relationships between senior managers and politicians, staff worked with passion, pride and commitment and the Medium Term Financial Strategy was based on prudent assumptions. The Peer Challenge did identify areas for improvement and these have been formulated into a high level improvement plan;
- The Authority has successfully retained the BSI Accreditations for Information Security and Information Technology - Service Management;
- 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.

The Assurance Map identifies all sources of assurance received.

Tamworth Borough Council Assurance Map					
1 st line of Defence		2 nd line of Defence		3 rd line of defence	
Business Plans		Corporate Management Team		Head of Internal Audit Opinion	
Operational Risk Registers		Statutory Officers		External Audit Reports	
Policies & Procedures		Tell Us Scheme		Audit & Governance Committee	
Management/team meetings		Management Controls		Ombudsman Report	
Managers Assurance Statements		Corporate Change Board		Peer Challenge	
Budget Monitoring & Reporting		Corporate Risk Register		ISO accreditation – Information Security	
		Performance Management Framework		ISO accreditation – Information Technology Service Management	
		Governance group		Code of Connection Certificate	
				QAS accreditation – Sheltered Housing	

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 raised 2012/13 and action completed

The significant governance issues identified in relation to the Authority achieving its vision in 2012/13 and action completed are:

No	Issue	Action	Update
1	<p>Medium Term Financial Strategy (MTFS)</p> <p>The financial planning process has enabled a balanced MTFS to be delivered and has estimated closing balances over three years to £0.5m which is the minimum approved level.</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>The Council holds sufficient funds in reserves and balances to allow it to plan its approach to budget setting, and Cabinet, on 22nd August 2013, endorsed the document 'Planning for a Sustainable Future' as the overarching strategy for meeting the challenges forecast for the Council's Medium Term Financial Strategy (MTFS) and a series of workstreams designed to deliver savings and efficiencies designed to tackle the forecast deficit long before it becomes a reality. This includes exploring new and innovative ideas and to be more commercial in our approach to business, including making better use of our assets.</p> <p>Council, on 25th February 2014, approved a 3 year Medium Term Financial Strategy for the General Fund with Council Tax increases lower than the Government referendum limits – in order to continue to deliver those services essential to the Local Community. However, in the longer term, the Council faces on-going grant reductions and income uncertainties which mean that substantial savings will need to be made from 2017/18 onwards to deliver a balanced budget.</p> <p>The Local Plan has identified the need for increased housing provision within the Borough and associated service demand. In the future, under the current funding arrangements, financial resilience is strongly linked to future growth in council tax and business rates income. Opportunities for identifying, promoting</p>

			<p>and supporting economic growth are actively being pursued.</p> <p>Capital spending for the General Fund is extremely limited by resource constraints – each project is robustly challenged through a business case, return on investment assessment.</p> <p>With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council, including significant investment in Regeneration projects to meet future housing needs and sustain the HRA in the longer term. Following HRA self financing, the majority of the capital funding is made through revenue contributions. A recent update to the 30 year HRA Business plan has recently been finalised and shows that the HRA is financially sound for the future.</p> <p>In addition a model has been developed to monitor delivery of the savings included within the MTFS (for the General Fund & HRA) – and to identify the savings target for the next 3/5 Medium Term Planning Period. The development of which also meets the action arising from the Peer Challenge process recommendations / improvement plan.</p> <p>This includes updated forecasts for new homes bonus / council tax income arising from expected housing developments together with revised business rates income forecasts following completion of NNDR1. These will be monitored / updated regularly on a monthly / quarterly basis. Regular monitoring meetings with planning, economic development and strategic housing as well as the Valuation Office have been put in place – as a proactive measure to facilitate maximisation of income. The model also includes stress testing of the forecast to give a range over best, central and worse case scenarios and will be used in the strategic monitoring of the progress made in delivering the workstream savings against the MTFS targets – and the longer term savings which will be required to ensure the ongoing sustainability of the Council.</p>
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No	Issue	Action	Update
2	<p>Town Centre Redevelopment</p> <p>The Authority is making 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 without detrimental impact on the MTFS.</p>	<p>The Authority has worked in partnership with the public and private sector to support economic growth and regeneration in the town centre. Regeneration proposals are considered against their direct and indirect financial impact on the authority and economy.</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 Wilnecote and the Kerria Centre in Amington was unpopular with residents, outdated and unsuitable for current housing needs.</p>	<p>A major redevelopment plan has been approved by the Authority's Cabinet to involve the demolition and rebuilding of parts of the Tinkers Green and Kerria estates. The Authority will invest around £21.5 million over the next six years in the redevelopment of the two estates.</p>	<p>The regeneration of Tinkers Green and Kerria areas are progressing well with Development Consultants appointed and 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>

4	<p>Golf Course</p> <p>The provision of golfing in Tamworth was at risk due to the financial stability of the management company running the golf course. The Authority has reopened and is managing the golf course for a period of up to two years.</p>	<p>Work is progressing to look at other options for securing the long-term future of the golf course site, including future redevelopment and investment options.</p>	<p>The Authority has completed its future options appraisal for the Golf Course and Cabinet has chosen to close the course in March 2015. A project to prepare the site for sale and redevelopment part of it for housing is being progressed. In the meantime the Authority continues to run the Golf Course in house until March 2015.</p>
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Significant Governance Issues 2013/14

The significant governance issues identified in relation to the Authority achieving its vision in 2013/14 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.</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>
2	<p>Town Centre Redevelopment</p> <p>The Authority is making 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>
3	<p>Housing Regeneration</p> <p>An in-depth study of council housing in Tamworth has identified that some housing in Tinkers Green in Wilnecote and the Kerria Centre in Amington was unpopular with residents, outdated and unsuitable for current housing needs.</p>	<p>The regeneration of Tinkers Green and Kerria areas are progressing well with Development Consultants appointed and 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>

4	<p><u>Peer Challenge High Level Action Plan</u></p> <p>The peer Challenge confirmed the need for a more proactive approach to member training with clear rules on compliance and sanctions and with particular regard to the Scrutiny function.</p>	<p>Completion of a more proactive approach to member training in accordance with the details in the Peer Challenge High Level Action Plan</p>
5	<p><u>Golf Course redevelopment</u></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>Deliver the high level project plan as approved by Cabinet.</p>