

ANNUAL GOVERNANCE STATEMENT – 2020/2021

Scope of Responsibility

Blaby District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Blaby District Council also 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.

In discharging this overall responsibility, Blaby District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

Blaby District Council has approved a Local 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 web-site or can be obtained from the Finance Division at the Council Offices in Narborough. This statement explains how Blaby District Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

Significant Events/Covid-19 Pandemic

The Council started to experience the impacts of the pandemic in late 2019/20 year, however this escalated during 2020/21 and there was a requirement to ensure governance arrangements were appropriate given the changed manner of working; the need to respond quickly to demands of our community and to make provision for decisions to be made urgently.

Measures taken by the Council included:

- Ability for office based staff to work remotely and adhere to social distancing
- Delegated authority to take urgent decisions
- Member meetings held virtually
- The formation of a Community Hub providing direct support during lockdown to the most vulnerable residents
- Supporting & co-ordinating voluntary organisations to support our residents and providing emergency funding where necessary (i.e. food banks)
- Ensuring adequate housing accommodation was provided for the homeless
- Setting Business Hub to support businesses and implementing the governments business grants

The required change in focus that the pandemic brought had a significant impact on the delivery of the Blaby Plan and the Council's financial resources. Members were kept abreast of the ongoing work of the Council to deal with the pandemic through less

formal channels but continued to be updated on the Council's financial resources through the normal reporting channels. The revised Blaby District Plan, adopted by Council on the 19<sup>th</sup> January 2021, reflects the change in strategic and operational priorities to enable the district to recover.

Apart from specific delegations brought before Council to allow decisions to be taken, governance arrangements continued to be in place with officers and members communicating through virtual means.

The Council's ability to work in partnership has been evident throughout with enhanced engagement with partners through the Leicester, Leicestershire & Rutland Local Resilience Forum and this has continued as we move into the recovery phase.

The impact of the pandemic has been significant with regard to both the workload of officers and the range of services that the Council has been required to provide. It has however had a positive impact in bringing us closer to our community. This has taken two forms; a number of individuals needing assistance have come forward and we have retained connection with them through our new befriending service for example and residents have become more aware of the services the Council is responsible for and have shown greater appreciation of staff. This has been particularly evident for our refuse and recycling operatives and grounds maintenance staff.

Further reference is made within this document regarding measures specifically taken relating to the pandemic.

### The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The systems of internal control are a significant part of that framework and are designed to manage risk to a reasonable level. They 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 systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of Blaby District Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Blaby District Council for the year ended 31<sup>st</sup> March, 2021 and up to the date of approval of the Statement of Accounts.

## The Governance Framework

The Authority's vision is set out in the Blaby District Plan which was developed with officers, Members and stakeholders in the district. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes and behaviours required to deliver good governance to all.

## Communicating the Authority's Vision

During this financial year The Blaby Plan, 2018-21 was reviewed and a new Blaby District Plan was adopted by Council on the 19<sup>th</sup> January 2021 and has set our Vision, Values and Priorities for the District spanning 2021-2024. Our priorities are grouped under the three key themes based on the District being "a great place to live, work and visit".

This document encompasses our ambitions and, with partners, how we will deliver these to the community. It recognises the need for actions and support that is required to aid the recovery of our district following the pandemic. The Blaby Plan comprises of our Corporate Plan, our Medium Term Financial Strategy (MTFS) and our People Strategy. It is not just a list of things we want to achieve but also details how we have planned all our resources, both financial and staffing to deliver these.

Alongside the new Blaby District Plan, priorities for the People Strategy and MTFS have been developed. An updated summarised MTFS was not produced this year but instead a commentary drew attention to the financial risk and impact associated with the changes to Business Rates and the Fair Funding Review.

## Translating the vision into objectives for the authority and its partnerships

The Council's objectives reflect the overall vision and are detailed in a series of critical activities which are regularly planned and also form part of individual goals.

The following section lists the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government as follows:

### **Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Council has adopted the national Code of Conduct for Members supported by the Audit and Standards Committee which monitors issues in relation to standards of behaviour. The Audit Committee and the Standards Committee were brought together as one Committee in May 2019.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council's Constitution which provides a comprehensive framework for the management of the authority's business. This is supported by a formal Scheme of Delegation, based on

a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members. The Cabinet Executive has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive “Members Roles and Responsibilities” paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities.

Council policies are produced in accordance with the principles set out in the Constitution and recommended for approval following review by the Senior Leadership Team. Decision making which falls within the policy and budgetary framework rests with the Cabinet Executive whilst those decisions falling outside the framework are reserved to full Council. The call-in procedure enables the Scrutiny Commission to review decisions made by the Cabinet Executive. Day to day decision making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers (which is based on a delegation by exception principle) and in accordance with the Financial Regulations. These arrangements all contribute to the economic, efficient and effective operation of the Council. The whole suite of standing orders, financial regulations and scheme of delegation are reviewed and updated as required through regular reports to Council.

In response to the pandemic the Council made temporary amendments to the Constitution to enable financial decisions to be taken outside the budgetary framework and treasury management limits were amended to be able to manage funds now being administered by the Council for the Department for Business, Energy & Industrial Strategy (BEIS).

#### [Ensuring effective arrangements are in place for the discharge of the monitoring officer function](#)

The “Monitoring Officer” function is carried out by the Corporate Services Group Manager who reported to the Chief Executive during this financial year. The Democratic Services, Scrutiny and Governance Manager, who has responsibility for legal matters and is also the “Deputy Monitoring Officer”, reports to the Corporate Services Group Manager.

#### [Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function](#)

The “Head of Paid Service” role is undertaken by the Council’s Chief Executive. The Strategic Director (Section 151 Officer) has responsibility for all HR matters and this position reports to the Chief Executive position.

#### [Undertaking the core functions of an Audit Committee, as identified in CIPFA’s Audit Committees – Practical Guidance for Local Authorities](#)

The Council has an established Audit Committee (the Audit and Standards Committee) whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer and the Audit Manager. Arrangements are in place for the Audit Manager to

report independently to the Audit Committee should he/she feel it appropriate to do so.

#### Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (the Section 151 Officer and the Monitoring Officer) have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Strategic Finance Manager and the Council Tax, Income & Debt Manager who facilitate the management and mitigation of risk and the Audit Manager who provides assurance on matters of internal financial control. The Human Resources function, through the use of Performance Development Appraisals assesses (and provides a means of improving) competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

#### Whistle-blowing and for receiving and investigating complaints from the public

The Council has in place and promotes appropriate whistle blowing policies and procedures which are regularly reviewed and updated where required. A revised Whistle Blowing (Raising Concerns) policy was reviewed and updated in June 2017 and is due to be reviewed shortly. Staff are aware of the Whistle Blowing policy and it has been highlighted in Blaby Matters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from its customers and the residents of the District. Regular information relating to performance in respect of complaints (and compliments) is presented to the Senior Leadership Team.

### **Principle B. Ensuring openness and comprehensive stakeholder engagement**

The Blaby Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFS) and how we support our officers to deliver the plan within our People Strategy. Objectives are set that link with the priorities and these are monitored through the year by the Senior Leadership Team within the Project Management reporting structure. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services.

We have an active voluntary forum through which the Authority provides support to those in our community whilst engaging with them to understand how we can improve our services. Engagement with our voluntary community and new/temporary volunteers increased during the pandemic and we have taken measure to ensure we retain connection with these groups.

Customer satisfaction with services is monitored through local and service specific surveys, and electronic means to provide feedback on a range of activities and issues.

The Council produces regular newsletters for all residents and businesses within the District which, in addition to providing information and advice, seeks to receive the views of the residents on a wide range of issues. During the pandemic the Council moved to electronic means of communication with more regular updates to our residents. Targeted service priority consultation exercises are undertaken to inform the future allocation of resources. The Council carries out a bi-annual Residents Survey which includes consultation on potential Council Tax increases and satisfaction levels for a range of Council services. In December 2020 a consultation was carried out asking for residents views on the priorities to be included within the new Blaby District Plan. 756 responses were received with over 80% of residents agreeing with the proposed priorities. These results went on to inform the Blaby District Plan.

The Council works closely with its 24 Parish Councils. Officers attend a Parish Liaison Group, which has representatives from all other districts and Leicestershire County Council. We regularly send information through to our parishes in relation to funding opportunities.

Over the last year we have supported our parishes in relation to establishing a Parish Liaison role (to provide a single point of contact), supporting the work of the Community Hub and ensuring all our vulnerable residents were supported through the pandemic. We have also offered free PPE to our parishes and this offer will continue until March 2022. In addition we have provided support regarding the completion of COVID risk assessments when needed.

The Council has established effective Business Breakfast meetings and holds regular meetings with the head teachers of the Academies in the district. It has a Youth Council which has played an active role, this year, in raising awareness about the green agenda and helping to communicate key messages during COVID to our younger population. They have also engaged with our private sector partners taking part in a Green Agenda project at Glen Parva Prison and are looking to share their learning wider within their school environment.

The Council has in recent years held a Youth Conference, which was an opportunity for young people to have their say with elected members regarding issues most important to them. The event also provides an insight in to what the Youth Council does, the opportunity to take part in a debate and make decisions about youth grants. This year this event could not go ahead but the Council is hoping that our Youth Conference can be held again in 2021/22.

Engagement with some of our academies and primary schools in the district, working with them to explore career opportunities, has been more difficult this year, but we will continue to deliver opportunities in the forthcoming year with a schedule of events.

In order to demonstrate its openness the Authority also publishes:

- A Forward Plan 28 days before the Cabinet Executive meets and provides:
  - a) The public with details of all key, non key and budget and policy framework decisions to be taken by Members over a minimum period of four months ahead.

- a) An aide-memoire for the Council's informal board of senior Members and officers to identify future issues for further discussion.
- b) The Scrutiny Commission with information to consider areas where it may wish to seek involvement in policy development.
  - Its pay policy
  - Council, Cabinet and Committee Reports
  - Payments over £500

In order to keep the public informed the Authority proactively prepares appropriate press releases. The Council has an award winning website which is user friendly and well-designed and the frequent use of social media channels of communication have enabled the Council to reach more of our residents effectively.

Scrutiny of the Councils budget for 2020/21 took place over three meetings in January. These meetings were open to all Members and attendance levels were high.

### **Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits**

#### Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail. It therefore actively supports and encourages an "open book" approach wherever possible.

#### Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council has established and leads on a Staying Healthy Forum which has set its own objectives and priorities to improve the health and well-being of the community. This includes locality specific areas for improvement which are linked to the Joint Strategic Needs Assessment (JSNA). These include; increased awareness and diagnosis of dementia; initiatives regarding mental health, obesity and getting our residents more active as well as collectively looking at workplace health. The forum includes representatives from the NHS, community safety and health providers.



Social Prescribing is part of the NHS long-Term Plan to make personalised care business as usual across the health and care system. Social prescribing works for a wide range of people and issues, including people with one or more long term conditions, who need support with their mental health, who are lonely or isolated or who have complex social needs which affect their wellbeing. In Blaby we have a unique set up with our Primary Care Networks which sees Blaby District Council staff seconded in to these roles. This arrangement continues for North Blaby PCN from 1st September 2020 to the 31st August 2021. For the South Blaby and Lutterworth PCN the new contract covers the period from mid November 2020 to mid November 2021.

The Council chairs the Leicestershire Housing Services Partnership which is made up of local authorities, registered providers and third sector organisations who work to deliver a joint action plan aimed at improving outcomes. One of the positive outcomes from this group has been the success of the Rapid Rehousing Pathway bid and the establishment of a working group to look at issues and solutions to hoarding as well as providing a comprehensive housing 'picture' of housing across Leicestershire.

The Leicester, Leicestershire and Rutland Chief Housing Officers Group forms part of the Housing Services Partnership and is cognisant of the wider housing impacts and as a partnership are concentrating on:

- Understanding the housing impact of increase levels of household unemployment and financial instability
- Identifying and then meeting (wherever possible) the wider support needs of housing customers
- Effectively supporting staff to maintain positive mental wellbeing and health
- Understanding and responding to new and often enhanced customer demand requirements

Throughout the pandemic the Chief Officers Group have been instrumental, particularly with reference to homelessness and rough sleepers. They have also worked well with health colleagues to promote the uptake of vaccinations within the homeless communities. Blaby DC has worked exceptionally well with its strategic housing partners to minimise the use of scarce temporary accommodation within the district.

The Council leads on the Lightbulb programme; a transformational project designed to improve and transform housing related support services across the County as well as improving hospital discharge services. Lightbulb has won 3 major accolades:-

- Winning the Local Government Chronicle award for best Public/Public Partnership
- Named the best collaborative working initiative by the Association for Public Service Excellence
- Highly commended at the Home Improvement Agency Awards

In the year 2019/20 Lightbulb had reduced the time taken from application to completion to 13 weeks under the target 20 weeks delivery time. In 2020/21 the average time taken reduced further to 10 weeks despite obstacles due to the



pandemic. The introduction of digital accessibility and reactive changes to assessments meant that services continued to be delivered to support vulnerable residents.

The Housing Support Coordinators continue to improve the services offered to residents, including temporarily supporting hospitals with follow up discharge calls to patients during the pandemic.

In 2020/21, 2959 residents were supported generating over 500 referrals per quarter for equipment, minor adaptations as well as for things to make their homes safer, such as smoke alarms. From the Housing MOTs services were delivered at an average of 35 days during the pandemic, despite all the barriers, which is below the 42 day average of service delivery pre Lightbulb.

Also in 2020/21 there was further development of the Housing Assistance Policy (under the Regulatory Reform Order) this allowed introduction of an adaptations grant and hospital discharge grant which received over 100 applications and supported recovery work. Lightbulb continues to develop services to meet the changing needs of residents with plans underway this year to introduce a hoarding pilot and developing an assistive technology offer by way of assisting residents for example in early stages of Dementia diagnosis.

The Council formally merged the Community Safety Partnership (CSP) of both Blaby and Hinckley and Bosworth in April 2016. Together the CSP's across Leicestershire work with the Police, Fire, Probation Services, County Council and Clinical Commissioning Groups to develop and implement strategies to protect local communities from crime and to help people feel safe. Local approaches to deal with issues including antisocial behaviour, drug or alcohol misuse and re-offending are also developed through the joint working. The Community Safety Partnership won the Leicestershire Police and Crime Commissioner Safer Community Award for partnership working in 2020.

The Council has over recent years invested considerably to promote the economic development of the district. Our approach is illustrated in the Economic Development Strategy adopted by the Council: "Building Blaby – Shaping Futures". This strategic plan sets out a way forward to maximise the benefits from economic growth and development to create a thriving place with opportunities for business and residents to be successful. We have, this year seen the continuation of how our strategy and pro-active approach to good business development in our district and working in partnership with local business has generated growth, with the construction of sites such Everards Meadows and the Fosse West development both now open for business.

The Council has, during the pandemic, set up a Business Hub to support local businesses. This is a support mechanism which will continue to provide support during the recovery phase and beyond. Alongside this, the Council's Business Rate Team have distributed over £19m in Business Support Grants during the course of the pandemic to date.

The Council leads a Building Control Partnership on behalf of five other local authorities including Harborough, Oadby & Wigston, Hinckley & Bosworth and Melton. A governance structure has been set up which includes a Management Board that meets quarterly to review performance of the service, income generation and make decisions on future priorities. By operating this service through a shared service agreement all the local authorities are able to share the costs of key posts within the structure and work together on Marketing and Communications. Alongside this from July 2021 Rutland County Council will also join the partnership under a shared service arrangement and Blaby are also picking up inspections for Leicester City on an adhoc basis when they have staff shortages.

Through a delegation of statutory responsibility, Blaby provides a Local Land Charge service for both Hinckley & Bosworth Borough Council and Oadby & Wigston Borough Council. Through this arrangement Blaby maintains local land charges registers, processes official searches and provides access to the local land charges register under the Environmental Information Regulations for personal searches.

This arrangement has provided resilience in service across all authorities the service being highly commended at the Local Land Charges awards 2019.

The Council continues to work closely with the academies in our District and meetings cover a wide breadth of matters including; creating work place opportunities in Blaby District and gaining benefit from developments under construction in our district; work place health initiatives and creating linkages in our community to promote community safety. This meeting has also facilitated closer relationships being developed with the academies and both the police, local community groups and officers from children's support services at Leicestershire County Council.

#### **Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome**

The Blaby District Plan sets out our ambitions for the Council and sits alongside our Medium Term Financial Strategy and our People Strategy and these detail how we have planned all our resources, both financial and staffing to deliver these.

The Council's service and financial planning process ensures that resource re-direction and allocation is aligned to the priorities emanating from the Blaby Plan. The Council has in place Contract Standing Orders and Financial Regulations designed to ensure that the Council achieves value for money in discharging its procurement requirements.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

Development and maintenance of the system is undertaken by the Senior Leadership Team within the Council and its effectiveness is reviewed by either external or internal audit. In particular, the arrangements include:

- The Medium Term Financial Strategy is now part of the Blaby plan but includes a Financial Summary spanning future years which is revised annually
- A 5 Year Capital Programme including asset investment
- An effective system of budgetary control
- The preparation and review of regular and timely financial reports which indicate financial performance against the forecasts
- Clearly defined capital appraisal, funding and expenditure controls
- Formal project management disciplines where appropriate
- Regular performance management reports

The Council continues to embed a “project board” approach to implementing change and transformation. A focus has been placed on project management and the regular monitoring of project delivery with the SLT meeting monthly to review progress. Ultimately this is led by the Chief Executive and will continue to ensure focus is placed on continuing improvement and learning. Members are fully engaged in this process with both a Cabinet Executive portfolio holder having specific responsibility for driving and monitoring the change process. The Scrutiny Commission, through its performance working group are actively involved in examining the detail of processes and change reviews.

### **Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.**

Members who joined the Council in 2019/20 underwent a comprehensive induction programme and this has continued to be built upon throughout the member’s term, with various training sessions to ensure they are fully equipped to fulfil their roles. A number of prospective member events were delivered to assist and encourage members of the public to stand for district and parish seats and a full induction programme has been developed to deliver to new Members following the district elections.

#### Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to invest in development for officers and managers. All people managers were trained in supporting staff wellbeing and manager participation in HR workshops continued virtually. Two degree level apprenticeships continued and two post graduate qualifications have been supported for professional council officers.

The Leader of the Council undertook a Member Leadership Programme course at the Warwick Business School. The Council delivers specific Member training around planning, local government finance, good governance and the risks and responsibilities that go with their individual roles. We undertake a full induction programme for new Members and those starting mid-term.

The Council continues to adhere to the principles of the East Midlands Councils Elected Member Development Charter. The Charter provides a set of national standards for authorities to achieve, ensuring elected Members are equipped to have the knowledge and skills to be effective community leaders.

### **Principle F – Managing risks and performance through robust internal control and strong public management**

The Council has in place an agreed clear and coherent framework for managing and monitoring performance.

A Six monthly Performance Report is presented to Council which provides a summary of progress and performance against the priorities within the Blaby District Plan. This report encompasses a whole Council approach focused on the three priorities; A Place to Live, A Place to Work, A Place to Visit, and it is recognised that all services contribute to the successful delivery of the Council's Plan.

It also includes a selection of statutory indicators and the most up to date comparable data for all English District Councils. This report is also presented at Scrutiny Commission meetings. The Leader of the Council has responsibility for Performance Management, and provides challenge, as do the Cabinet members. The pandemic had a huge impact on the delivery of the priorities within Blaby District Plan as resource was diverted from normal activity to those to support the pandemic response. As such performance reporting was suspended however, members were regularly updated as to the activities of the Council to support our community throughout the pandemic.

The Council uses the InPhase system to record performance indicators and officers have access to the InPhase performance data in order that monitoring can be carried out across services.

The Council has in place a Risk Management Policy and Strategy to ensure that the management of risk, is embedded within the organisation at both the strategic and operational level with both Members and senior officers having specific roles and responsibilities identified. A Corporate Risk Management Group, headed by the Chief Executive and supported by the performance team provides leadership, whilst the post of Strategic Finance Manager has specific responsibility to co-ordinate the management of risk across the Council. Both Members and officers are trained so that they are equipped to manage risk in a way appropriate to their duties. Risk assessments are a pre-requisite for all capital project appraisals and form an integral element of Project Plans. The Council utilises a software package (InPhase) to assist with the management and monitoring of both performance and risks. This includes a risk tracking facility to continuously monitor the Council's corporate exposure to areas classified as high risk. Members of the Audit Committee receive regular risk monitoring reports.

### **Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability**

## 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

The CIPFA Statement was originally published in March 2009 in respect of the Role of the Chief Financial Officer in public services as a whole and was considered by the Council's Cabinet Executive in July of that year. The following year a further version was produced which was specifically directed towards Chief Financial Officers serving in local government. The five underlying principles however remained the same. The Council's financial management arrangements conform with the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

## Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the Council's Audit and Standards Committee on all matters appertaining to audit outcomes.

## Review of Effectiveness

Blaby District Council undertakes, on an annual basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by a) the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, b) the Audit Manager's annual report and c) by comments made by the external auditors and other review agencies and inspectorates.

Part of this process is to carry out an assurance review which identifies examples of assurances in respect of those governance arrangements which are key to mitigate against significant risks to the achievement of the corporate objectives of the Council. Whilst a number of actions were identified through this process they don't relate specifically to governance matters, but illustrate the Council's commitment to continuous improvement. The actions are listed in the table below for completeness. The comprehensive detail of the assurance review completed can be found as an appendix to the Annual Governance Report considered by Cabinet Executive in July 2021.

Core Principal 1: A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**Supporting Principle 1 : Behaving with Integrity**

Action - Whistleblowing policy to be reviewed in the forthcoming year & highlighted again to staff.

**Supporting Principle 2 : Demonstrating strong commitment to ethical values**

Action – Increase visibility of all values for staff & members.

**Supporting Principle 3 : Respecting the rule of law**

Action - Whistleblowing policy to be reviewed in the forthcoming year & highlighted again to staff.

Core Principal C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

**Supporting Principle 1 : Defining outcomes**

Action – Detailed risk management process to continue to be embedded with focus on risks that allow SLT to manage the authority.

**Supporting Principle 2 : Sustainable economic, social and environmental benefits**

Action – Briefing for all members regarding Council finance following Fair Funding and Business Rate Review outcomes to ensure awareness of future financial outlook.

Core Principal F : Managing risks and performance through robust internal control and strong public financial management

**Supporting Principle 3 : Robust internal control**

Action – Continued training for Audit & Standards Committee members.

There were no actions from previous years that had not been addressed.

**Review of Compliance with the Financial Management Code 2021/22**

The Council has carried out a review of compliance with the FM Code in this shadow year. It is intended that this will be brought before the Audit and Standards Committee in July, Cabinet Executive in September and be a publically available document. Whilst the Authority has been found to be compliant with many aspects of the FM Code, there are a number of areas that are partially compliant and where improvements have been identified. These are listed in the table below.

CHAPTER 1 – The Responsibilities of the Chief Finance Officer and Leadership Team

**B Principle 3: The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.**

Improvement - Develop a financial training package for managers to provide them with the necessary skills to undertake their role effectively.

CHAPTER 2 – Governance and Financial Management Style

**E. The financial management style of the authority supports financial sustainability**

Improvement - Further development of capital expenditure plans. Understand the implications for future funding streams following completion of Government reviews of Business rates Retention, New Homes Bonus, and Fair Funding.

CHAPTER 3 – Medium to Long Term Financial Management

**F. The authority has carried out a credible and transparent financial resilience assessment**

Improvement - Consider options for independent resilience review, including Pixel, Local Government Association.

**I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans**

Improvement - Wider involvement of SLT in development of the MTFS.

CHAPTER 5 – Stakeholder Engagement and Business Cases

**L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.**

Improvement - Consider wider consultation on the longer term MTFS and budget proposals.

**M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.**

Improvement - Introduce post implementation review for the more significant capital projects; outcomes, timelines, budget.

CHAPTER 6 – Monitoring Performance

**O. The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.**

Improvement - Incorporate the reserves position within quarterly monitoring reports to Cabinet Executive.

## Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council's constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

It is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements where such cases fall outside the delegated power of other decision making bodies of the Council. There have been no issues arising during 2020/21 which have required the full Council to exercise its role.

The Constitution of the Council is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24<sup>th</sup> May 2016. Amendments to the Constitution are brought before Council as part of the continuous review process.

The Council formally reviews its Financial Regulations on a regular basis albeit on-going updates are implemented as part of the regular reviews of the Constitution.

## Role of Cabinet Executive

The role of the Cabinet Executive is to receive, consider and approve the Annual Governance Statement and to monitor the implementation of any Action Plans arising out of the review of its governance arrangements.



### Role of Audit Committee

A formal Audit Committee, constituted on the basis of the guidance issued by the Chartered Institute of Public Finance, including the adoption of a “Statement of Purpose”, was established in 2008.

The Audit Committee (The Audit and Standards Committee) meets on a quarterly basis. It has responsibility for considering the findings of the annual review of the effectiveness of the internal audit function in addition to receiving regular monitoring reports from the Audit Manager. The annual external audit plan is also approved by the Audit Committee.

### Role of Scrutiny Committee

The Council has a well established and effective Scrutiny Commission supported by working panels who are assigned specific projects to be undertaken. The Commission can “call in” a decision which has been made by the Cabinet Executive but not yet implemented, to enable them to consider whether the decision is appropriate.

### Risk Management

The Corporate Risk Group regularly reviews the Risk Management Strategy to ensure its continued relevance to the Council. The reviews also assess performance against the aims and objectives of the Risk Management Strategy.

The Strategic Finance Manager provides regular progress reports to the Corporate Risk Group and the Senior Leadership Team bringing to their attention any significant risks which have been identified. The Corporate Risk Group/Senior Leadership Team also:

- Reviews the Council’s strategic/operational risk registers and associated action plans
- Ensures that the appropriate management action is taken to minimise/eliminate risk

Audit & Standards Committee review the Strategic Risk Register and mitigating actions regularly. They also have responsibility for reviewing and recommending the Risk Management Strategy at regular intervals.

### Role of Internal Audit

Internal Audit is provided in accordance with the statutory responsibility under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. It is managed on a day to day basis by the Audit Manager who reports to the Strategic Director. There is however also an indirect reporting line to the Strategic Director (Section 151 Officer) in relation to matters of a technical or professional nature.

Internal Audit objectively examines, evaluates and reports on the adequacy of internal controls and governance as a contribution to the proper, economic and effective use of resources. During 2020/21 this responsibility was carried out following an approved risk based annual audit plan. The Audit Manager produces quarterly progress monitoring reports against the plan to the Audit & Standards Committee.

The internal reporting process for audit work requires a report of each audit to be submitted to the relevant Group/Corporate Manager and/or Service Manager. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by the relevant managers. The process also includes regular reviews of recommendations to ensure that they are acted upon. A summary of all audits carried out, including a grading rating which reflects the effectiveness of the controls in place and an analysis of the recommendations is submitted to each quarterly Audit & Standards Committee meeting.

The Public Sector Internal Audit Standards (PSIAS), introduced on 1 April 2013, and revised in April 2016 and again in 2017, require an external assessment of compliance with the Standards to be carried out at least once every five years.

The assessment was carried out in November 2020 and found that the internal audit function at Blaby District Council conforms with the PSIAS and there were no areas of non-compliance identified. The final report was presented to the Audit & Standards Committee on 1<sup>st</sup> February 2021 along with an action plan containing minor action points which the Audit Manager is implementing to improve overall compliance with the Standards.

The Shared Service Audit Manager provides an independent opinion on the internal control environment to the Audit & Standards Committee which then feeds into the Annual Governance Statement process. For the 12 months ended 31 March 2021, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, the Audit Manager has formed the opinion that she is able to give **reasonable assurance** on the Council's overall internal control arrangements. To be consistent with our Internal Audit opinion definitions, this means that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the areas audited. This is a positive assurance opinion overall which will be detailed in the report of the Audit Manager's 'Internal Audit Annual Report 2020/2021' which will be presented to the Audit & Standards Committee on 21<sup>st</sup> July 2020.

All internal audit reports issued during 2020/21 were issued with either substantial or reasonable assurance opinions. A small number of high priority recommendations were made in respect of audit reviews undertaken, however as they relate to specific systems and/or service areas, it is not considered necessary to include them in the Annual Governance Statement.

## Other Explicit Review/Assurance Mechanisms

The Corporate Services Group Manager (the “Monitoring Officer”) has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24<sup>th</sup> May 2016.

Statements of Assurance are received from senior officers regarding internal control issues in line with the guidance set out in “Delivering Good Governance in Local Government”.

A Peer Review carried out by the LGA in 2015 described Blaby District Council as “a great council which is performing well with no major concerns. There are many examples of good services and projects with a strong focus on doing the right thing for Blaby’s residents and customers at all levels of the organisation.”

A further review was carried out in 2018 and was again very positive in terms of staff engagement, progress against our action plan and as excellent partners. The Peers also flagged up improvements and opportunities that needed to be taken by the Council. An action plan was formulated and a number of these recommendations have been delivered.

The pandemic has resulted in a delay a further review being carried out in 2020, however this is now being planned to take place after a new Chief Executive has been appointed. The current Chief Executive will be leaving the authority in August 2021.

## Statement of Leader and Chief Executive

*We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.*

## Significant governance issues

*Whilst there are no significant governance issues to report, nevertheless the Council continues to seek to enhance and strengthen our governance arrangements where improvements can be identified. We will monitor progress made as part of our next annual review.*

Signed \_\_\_\_\_  
Leader of the Council  
July 2021

Signed \_\_\_\_\_  
Chief Executive  
July 2021