

# Blackpool Council

## Annual Governance Statement – 2013/2014

### **Scope of responsibility**

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Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. Blackpool 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, Blackpool Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

Blackpool Council strives to operate in a manner consistent with the principles of the CIPFA / SOLACE *Framework Delivering Good Governance in Local Government*. This statement explains how Blackpool Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4 (3), which requires all relevant bodies to prepare an Annual Governance Statement.

### **The purpose of the governance framework**

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The governance framework comprises the system and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 Blackpool Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Blackpool Council for the year ended 31<sup>st</sup> March 2014 and up to the date of the approval of the statement of accounts for that year.

### **The governance framework**

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The key elements of the systems and processes that comprise Blackpool Council's governance arrangements are summarised below.

## ***The Council's Vision, Values and Priorities***

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The Council Plan describes our priorities, values and ambitions for 2013-15 and explains clearly what the Council will do to help improve the lives of local people and how the Council will measure our progress. The extract of these from the Council Plan is shown in the following boxes:

### **Our vision and priorities**

Our vision sets out an image of the future in Blackpool that the Council wishes to create over the long term:

***We will build a Blackpool where aspiration and ambition are encouraged and supported. We will seek to narrow the gap between the richest members of our society and the poorest and deliver a sustainable and fairer community, of which our communities will be proud.***

We believe that it is by working together that we make a difference to the lives and prospects of people who live, work and learn in Blackpool. The Council has nine priorities for how we will focus our efforts and resources to make a positive difference to the borough of Blackpool. Eight of these concentrate on the needs of our community and fit under three main themes:

1. We will raise aspiration by:
  - Tackling child poverty, raising aspirations and improving educational achievement
  - Safeguarding and protecting the most vulnerable
2. We will become a more prosperous town by:
  - Expanding and promoting our tourism, arts, heritage and cultural offer
  - Attracting sustainable investment and creating quality jobs
  - Encouraging responsible entrepreneurship for the benefit of our communities
3. We will create healthy communities by:
  - Improving health and wellbeing especially for the most disadvantaged
  - Improving housing standards and the environment we live in by using housing investment to create stable communities
  - Creating safer communities and reducing crime and anti-social behaviour

Our ninth priority - to deliver quality services through a professional, well-rewarded and motivated workforce - ensures we have staff who are capable of delivering these priorities. Blackpool Council's vision and values set out a high level vision of how the Council will address the nine priorities of the Council.

Blackpool Councils Value's are:

- We are accountable for delivering on the promises we make and take responsibility for our actions and the outcomes achieved
- We are committed to being fair to people and treat everyone we meet with dignity and respect
- We take pride in delivering quality services that are community focused and are based on listening carefully to what people need
- We act with integrity and we are trustworthy in all our dealings with people and we are open about the decisions we make and the services we offer
- We are compassionate, caring, hard-working and committed to delivering the best services that we can with a positive and collaborative attitude

The Council Plan seeks to address the big issues and policy drivers facing local government. The Council priorities feed into departmental business plans and are a key tool for managers to use when developing business plans for the coming year. The strong golden thread from community aspirations continues through to individual performance appraisals as they are developed based on Council's vision, values and priorities.

### ***Performance Management***

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There has been a reduced inspection regime on some Council services due to changes in Central Government. To help mitigate the risk of the impact of the reduced inspection regime the Council is starting to participate in more peer reviews drawing on experience from other Local Authorities and the private sector.

The Council has a performance management system in place with high level performance issues being reported to the Scrutiny Committee and local performance indicators being managed through the business planning framework.

Performance has been reported against the Council's nine priorities throughout 2013/14 on a quarterly basis. These reports have included progress made against actions, performance indicators, contextual information and progress against issues raised at Scrutiny Committee in the previous quarter.

The performance management framework will be strengthened in 2014/2015 by introducing an annual programme of business plan challenge sessions. These meetings will be chaired by the Leader of the Council and the Chief Executive and will seek to undertake a progress review of the business plans from each department on a rolling programme throughout the year. The lead officer and Cabinet Member for each department will be invited to attend the meeting to answer questions or provide further information for the review.

The purpose of the review process is to establish whether:

- Actions are linked to the Council's themes and priorities and key actions from the Council Plan are reflected in departmental business plans;
- Progress against business plan actions is monitored and areas of concern are addressed;
- The impact of business plan actions is evaluated and understood;

- Performance is managed effectively and priorities for improvement are identified; and
- There is evidence of cross departmental working to achieve priorities.

### ***Roles and Responsibilities***

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Responsibilities and functions are in place for each of the Council's Committees, including Licensing, Planning, Standards, Scrutiny and the Finance and Audit Committees. These are reviewed annually with any changes made at the Council's Annual Meeting, to ensure they are fit for purpose. The Executive has also agreed a set of criteria relating to levels of decision making, which provide clarity and consistency for decision makers.

All Council Officers, including the Corporate Leadership Team, have a job description which sets out their roles and responsibilities. Individual objectives for each officer are then part of the Individual Performance Appraisal process.

The Council's Constitution, including the Scheme of Delegation sets out the arrangements and protocols which are in place to enable effective communication within the authority and they also identify arrangements for working with partnerships.

### ***Behaviour and Conduct***

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An elected member/ officer protocol is incorporated in the Council's Constitution and there is also a Planning Committee protocol. Training is provided to officers and members to enable them to better understand the roles of each other.

There are registers of interests and hospitality for both elected members and officers. Members must register and declare interests on appropriate occasions, supported by appropriate professional advice at any time, where this is required.

The Council's Standards Framework has specific regard to probity and high standards of ethical conduct. This is supported by the Monitoring Officer and Deputy Monitoring Officer and together with 3 independent persons appointed by Council, deal as appropriate, with any complaints referred, as part of the process.

Any development needs in terms of conduct are identified through officer Individual Performance Appraisal or member self-assessment as appropriate, a regular programme of training is also provided.

Employees abide by the terms of the Council's officer Code of Conduct. Where appropriate staff are expected to comply with the Constitution and Financial Regulations, these are both updated regularly and appropriate training offered on changes.

### ***Decision Making Framework***

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The Constitution sets out the functions and responsibilities of the Council, the Executive and committees. Included in this are the delegation arrangements adopted by the Council and the Executive.

All Executive decisions contain all relevant policy implications including financial, risk management, human resource issues including equality analysis and legal considerations.

Records of decisions and supporting materials are maintained, with public disclosure of decisions on the Council's internet site. The Monitoring Officer or a designated representative, receive all decisions before they are processed and therefore are able to check the robustness of data quality prior to a decision being submitted for formal approval.

The Constitution is reviewed and updated on an ongoing basis.

### ***Risk Management***

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The Corporate Risk Management Group meets quarterly to co-ordinate and promote risk management activity, and the Council Leader is provided with all papers relating to the agenda and minutes. It is supported by departmental and thematic risk management groups. All departments have nominated risk champions to promote best practice in their areas and risk registers are maintained for major projects and partnerships.

The Strategic Risk Register is reviewed by the Corporate Leadership Team every six months and considered by the Finance and Audit Committee annually. Responsible officers identified in the Strategic Risk Register are required to attend Finance and Audit Committee to explain how the risks are being managed and what further mitigating controls may be required.

### ***Counter Fraud and Anti-Corruption Arrangements***

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The Council has an Anti-Fraud and Corruption Statement in place and this is approved by the Finance and Audit Committee on an annual basis. Any suspected instances of fraud and corruption are reported to the Chief Internal Auditor so that an appropriate investigation into the matter can be undertaken.

An Investigations Team is in place which investigates instances of welfare benefit fraud in line with the relevant legislation and guidance.

The Council has appropriate procedures in place to deal with the risk of money laundering and also to raise awareness of the Bribery Act and ensure that appropriate controls are in place to reduce the risk.

The Council participates in the National Fraud Initiative and progress against this is monitored on a regular basis.

### ***Management of Change and Transformation***

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The Council is committed to ensuring that it delivers value for money. Significant changes have been made to the Council structure and working practices to ensure the delivery of significant budget cuts as a result of the Comprehensive Spending Review. The Council continually considers ways in which further efficiency can be made to reduce costs whilst maintaining the delivery of a quality service and also considers how to effectively manage change.

### ***Financial Management Arrangements***

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The Council has a designated Chief Financial Officer who holds Section 151 responsibilities with appropriate qualifications and experience and a deputy has also been appointed. The

Chief Financial Officer has arrangements in place for financial management, financial reporting and value for money which are assessed as satisfactory by the Council's external auditors.

Monthly financial reporting summaries are made available to the Corporate Leadership Team, the Executive and the Finance and Audit Committee.

The Council'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 2012/2013 ISA260 report provided by external audit has not identified any significant issues in the Council's financial management arrangements.

### ***Assurance Arrangements***

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The Council prepares an annual Audit Plan which is approved by the Corporate Leadership Team and the Finance and Audit Committee each year. This includes a balance of risk and compliance work. The assurance statement for each audit is reported quarterly to the Finance and Audit Committee and contributes to the Chief Internal Auditor's annual opinion. The opinion of the Chief Internal Auditor was presented to Finance and Audit Committee on the 26<sup>th</sup> June 2014.

An element of contingency is built into the Audit Plan to enable the Internal Audit Team to proactively respond to any issues which may arise throughout the year.

The Council's assurance arrangements broadly conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and this is reviewed annually.

### ***Monitoring Officer***

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The Council has designated a Monitoring Officer with appropriate qualifications and experience and a deputy has also been appointed. The Monitoring Officer has the specific duty to ensure that the Council, its officers and its elected members maintain the highest standards in all they do and is responsible to Blackpool Council for ensuring that governance procedures are followed and all applicable statutes and regulations are complied with.

### ***Head of Paid Service***

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The Council has in place effective arrangements to discharge the Head of Paid Service function and this role is undertaken by the Chief Executive.

### ***Finance and Audit Committee***

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The Council has a Finance and Audit Committee which meets on a regular basis. This is independent of the scrutiny framework, and as a full committee of the Council is able to discharge all the core functions of a Finance and Audit Committee identified in *CIPFA's Audit Committee: Practical Guidance for Local Authorities* including approval of the annual Statement of Accounts.

An ongoing programme of training on finance, audit and corporate governance topics is in place to ensure members have all the skills required to undertake their role.

### ***Compliance with Laws, Regulations, Internal Policies and Procedures***

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The Council has an internal control framework in place which helps ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.

All managers are expected to adhere to the Council's Constitution and Financial Regulations. Non-compliance with such procedures may result in disciplinary action.

An internal audit function is in place to provide assurance that controls are being adhered to. The Finance and Audit Committee receives copies of all audit assurance statements and has the ability to challenge officers where issues of non-compliance have been identified.

The Council's Monitoring Officer has a role in ensuring that the Council acts within the remit of relevant law and regulations and that a robust democratic process is maintained.

### ***Whistleblowing and Complaints***

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A whistleblowing procedure is in place. All complaints received under this procedure are investigated by appropriate officers. A corporate complaints procedure also operated during the period to ensure that any issues raised by members of the public were fully investigated. A pilot process has been implemented to deal with complaints which reach Stage Three of the complaints process where an independent panel of officers review and investigate the complaint before a response is provided to the complainant. This is chaired by the Deputy Chief Executive and attended by the Monitoring Officer, Chief Internal Auditor and Chief Accountant.

### ***Training and Development***

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A Member Development Programme is in place which helps deliver training to elected members to help them fulfil their role.

Elected members have personal development plans in place which are used to help identify training needs and the members training budget comprises of a core budget and a further budget that is split proportionally between the political groups, to ensure that appropriate training can be delivered to all members.

A recent skills audit was undertaken, completed by 39 out of 42 councillors and where appropriate this has been shared with the Group Leaders to assist in identifying development needs. A range of training and development opportunities are available for officers and this is informed through the Individual Performance Appraisal process which is mandatory for all officers across the Council.

A training programme is in place for senior officers to help enhance leadership skills.

## ***Consultation***

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The Council consults and engages with a diverse cross-section of the community to help ensure that their views are considered, such as Area Forums.

Public speaking is available at many meetings such as Executive, Scrutiny and the full Council meeting.

The Council produces a quarterly newsletter *Your Blackpool* which is distributed to every household in the Borough. Blackpool Council has recently invested in updating its website to help improve access to information and uses social media daily to engage with residents and visitors alike.

Healthwatch Blackpool has been set up to help people who use services to have a powerful influence in how services are planned and run as well as to help people to make informed choices about the health and social care options open to them.

The Blackpool Fairness Commission was launched in September 2012 as an independent body of people from across the Public, Private, Voluntary and Community Sectors.

In the last year, the Fairness Commission has appointed 120 Fairness Commissioners, a Steering Panel of 16 people from across the Public, Private, Voluntary and Community Sectors, held a number of Steering Group Meetings and Open Public Meetings, and formed five task and finish groups around issues such as child poverty, welfare reform, the night time economy, consultation and engagement, and early action.

The Fairness Commission has now reached a level of maturity. Widely recognised across sectors, with a steering group in place, it is passionate about and committed to making Blackpool a fairer place to live, work and learn.

## ***Partnerships and Joint Working***

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The Council has reviewed the governance arrangements with its wholly owned companies and has now a Companies Governance Code of Practice in place. This has led to the Articles of Association for each company being reviewed and the development of a Memorandum of Understanding between the Council and each company, to help define working arrangements.

## ***Review of effectiveness***

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Blackpool Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of executive managers within Blackpool Council, who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

A number of steps have been taken to review the effectiveness of governance arrangements in 2013/2014 and these include:



- Risk Champions have completed a control self-assessment on the internal control framework within their departments.
- A governance workshop was held with selected elected members representing the Standards, Scrutiny and Finance and Audit Committees and the Deputy Leader of the Council, to assess the Council's performance against the key principles of the CIPFA / SOLACE governance framework.
- Key officers, charged with governance responsibilities, including the Monitoring Officer, Deputy Monitoring Officer, Section 151 Officer, Chief Internal Auditor and Head of Corporate Development, Engagement and Communication were involved in the review.
- The Corporate Leadership Team has had the opportunity to comment on the governance framework and statement.

The implications of the results of the effectiveness of the governance framework have been identified by the Finance and Audit Committee and these state that arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

### **Significant Governance Issues**

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As part of the review of significant governance issues highlighted in 2012/2013 it has been deemed appropriate to remove some of the actions as these have now been effectively addressed included in this are:

<b>Governance Issues Addressed in 2013/2014</b>		
<b>Issues</b>	<b>Action to be taken</b>	<b>Responsible Officer</b>
Collection Fund	Monitoring and management of the Collection Fund to assess the impact of the introduction of the Localisation of Business Rates and the Council Tax Reduction Scheme.	Treasurer
Member Involvement	A skills audit to be undertaken with elected members.	Head of Democratic Services
Risk Management	The Property Risk Management Group's terms of reference and representation should be reviewed to ensure that it is working effectively.	Treasurer
Welfare Reform	Manage the transition to Universal Credit.  Ensure that the Council has the resource available to investigate corporate fraud after the introduction of the	Treasurer

	Single Fraud Investigation Service.	
Member Protocols / Decision Making	Ensure that officers are aware of the decision making process and that this is adhered to.	Head of Democratic Services
Complaints and requests for information.	Deliver the new corporate complaints process across the Council.  Ensure that Freedom of Information, Subject Access and Environmental Information requests are dealt with in a timely manner.	Deputy Chief Executive

There are a number of governance issues which it would be prudent to carry forward as further work is required to fully address the issues. Additional actions have been identified as part of the 2013/2014 review of the effectiveness of the governance framework and these are captured in the following table. It should be noted that some of the issues identified are not deemed as significant but have been included to aid openness and transparency.

<b>Governance Issues to be Addressed in 2014/2015</b>		
<b>Issues</b>	<b>Action to be taken</b>	<b>Responsible Officer</b>
Delivery of corporate savings programme combined with significant demand pressures.	Departments to adhere to agreed savings targets, identifying alternative savings or income generation where pressures develop.  Progress on achieving savings monitored from month 0.  Delivery of core services including appraisal of internal controls within available resource.	Chief Executive
Project management	Undertake an advisory role to ensure effective project management leads to successful project outcomes across all Council projects.  Ensure effective project management leads to successful project outcomes within sphere of influence.	Chief Executive

	Ensure adequate project management resource is available to deliver key projects.	
Facilities management	<p>Deliver Council's accommodation strategy and reduce desk footprint by delivery of the Central Business District project.</p> <p>Ensure that the Council's property estate is operated to maximise rental income or disposal values as appropriate.</p> <p>Improve asset management planning, including business continuity arrangements.</p>	Treasurer
Procurement	<p>Ensure all services comply with Contract Procedure Rules.</p> <p>Completion of e-procurement and e-invoicing rollout.</p> <p>Ensure adequate time is committed to procurement activity.</p> <p>Development of integrated commissioning frameworks with economies of scale.</p> <p>Delivery of Personalisation agenda.</p>	<p>Treasurer</p> <p>Assistant Chief Executive Children's Services / Assistant Chief Executive Adult Services</p>
Staff development	<p>Ensure that all staff complete mandatory training requirements.</p> <p>Ensure that senior managers complete the Working with Members training programme.</p> <p>Ensure that staff appraisals are carried out across the</p>	Deputy Chief Executive

	<p>Council and that these are uploaded to the Vision HR system.</p> <p>Ensure that effective workforce development planning is in place.</p> <p>Ensure that all Individual Performance Appraisals are completed.</p>	
Protect vulnerable adults and children.	<p>Ensure that adequate controls are put in place to safeguard vulnerable adults and children.</p> <p>Ensure that steps are taken to address the control failings identified in the recent inspection reports.</p>	<p>Assistant Chief Executive Adults</p> <p>Assistant Chief Executive Children's Services</p>
Risk management	<p>Ensure that all services have in place up-to-date and fit-for-purpose business continuity plans which have been tested.</p> <p>Ensure that all departments have in place an effective Departmental Risk Management Group.</p> <p>Look at the potential of delivering mandatory fraud awareness training.</p>	Treasurer
Performance management	<p>A review of the revised performance monitoring arrangements should be undertaken to ensure that it is effective.</p> <p>Strengthen the integrity of reporting performance data to residents.</p> <p>Review how the Council consults with the community to ensure that it is transparent and robust.</p> <p>A piece of work should be undertaken to identify the</p>	<p>Deputy Chief Executive</p> <p>Corporate Leadership Team / Executive</p>

	Council's core business going forward.	
Scrutiny	<p>Deliver a module based training programme to members of the Scrutiny Committee.</p> <p>Review examples of effective scrutiny reviews to assess how recommendations could be strengthened.</p> <p>Officers should ensure that they respond to members enquires on a timely basis.</p>	Head of Democratic Services

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: \_\_\_\_\_ (Leader of the Council)

Signed: \_\_\_\_\_ (Chief Executive)