Report to:	AUDIT COMMITTEE
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Date of Meeting	18 January 2018

ANNUAL GOVERNANCE STATEMENT 2016-2017 MID-TERM REVIEW

1.0   Purpose of the report:

1.1   The purpose of this report is to provide Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2016-2017.

2.0   Recommendation(s):

2.1   To consider and approve the mid-term review of the Annual Governance Statement for 2016/2017.

3.0   Reasons for recommendation(s):

3.1   The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

3.2a   Is the recommendation contrary to a plan or strategy adopted or   No
          approved by the Council?

3.2b   Is the recommendation in accordance with the Council's approved   Yes
          budget?

3.3   Other alternative options to be considered:

          N/A

4.0   Council Priority:

4.1   The Annual Governance Statement is relevant to all Council priorities.

5.0   Background Information

5.1   Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

- Ensuring openness and comprehensive stakeholder engagement.

- Defining outcomes in terms of sustainable economic, social and environmental benefits.

- Determining the interventions necessary to optimise the achievement of the intended outcomes.

- Developing the Council's capacity, including its leadership and the individuals within it.

- Managing risks and performance through robust internal control and strong public financial management.

- Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement.

Does the information submitted include any exempt information?   No

List of Appendices:

Appendix 5(a): Annual Governance Statement 2016-17 Mid-Term
Review

6.0   Legal considerations:

6.1   The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

7.0   Human Resources considerations:

7.1   N/A

8.0   Equalities considerations:

8.1   N/A

9.0   Financial considerations:

9.1   Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2017/2018.

10.0   Risk management considerations:

10.1   Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement.

11.0   Ethical considerations:

11.1   N/A

12.0   Internal/ External Consultation undertaken:

12.1   In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Head of Audit and Risk
- Chief Accountant
- Head of ICT
- Head of Corporate Delivery Unit

- Head of Democratic Governance
- Strategic Equality and Diversity Manager
- Head of HR and Organisational Development
- Deputy Head of Legal Services

13.0   Background papers:

13.1   N/A

Appendix 5(a) - Annual Governance Statement 2016-2017 Mid-Term Review

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
Code of Conduct and Behaviours	Develop and pilot a new face to face diversity awareness course aimed at priority staff and managers, and Elected Members.	Director of Resources	After mid-term review	**Implemented -** A diversity awareness course has been developed and piloted. It has been agreed with HR and CLT that this will be available as part of the corporate training offer.
	Develop an Equality Compliance tool and performance scorecard, to track mainstreaming good practice within all departments linking in to the business planning process.	Director of Resources	After mid-term review	**Implemented -** An equality compliance toolkit has been developed and this has been piloted in the Resources Directorate. The approach has been agreed by CLT and a timetable for Council wide roll out being prepared.
	Review the Whistleblowing Policy to ensure that this aligns to best practice and launch awareness raising for officers and elected members.	Director of Governance and Partnerships	Prior to mid-term review	**Partially Implemented –** The Whistleblowing Policy has been reviewed and approved by the Standards Committee and named contacts have now been trained. Steps are being taken to implement a central recording system for complaints received. Once implemented staff and member awareness raising will take place.
	Seek approval from the Corporate Leadership Team and the Executive for the revised Ethical Principles and raise	Chief Executive	Prior to mid-term review	**Partially Implemented –** The revised ethical principals were refined by the Corporate Leadership Team. These will be

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
	awareness across the Council.			embedded in the revised Council Plan.
Commitment to Openness, Communication and Consultation	Launch and roll out a programme of the 'people's jury' focused on Community Orientated Primary Care based on the finding of the pilot scheme.	Director of Public Health	After mid-term review	**Partially Implemented -** The Community Orientated Primary Care work is continuing in the NHS neighbourhoods of Blackpool South and Far North. The residents from the pilot scheme continue to meet to deliver their action plan and have renamed their group Blackpool Citizens for Change. They are planning a community event to get more residents in the area engaged. The group have spoken at a number of Council meetings.
	Embed the new process for community engagement through the Fairness Commission.	Director of Public Health	After mid-term review	**Partially Implemented -** The Fairness Commission has delivered a number of community engagement events so far this year, through the Acts of Kindness Campaign, the Butterfly Effect and the CLC Naming Events. It is also intended to hold a Children's Summit and an Older People's Summit.
	Ensure effective links are developed between the community engagement function and elected members.	Director of Public Health	After mid-term review	**Implemented -** Elected members have been invited to be part of the Steering Group for the Community Orientated Primary Care work to ensure they are involved in the engagement work in their ward. Community Engagement and

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
				Fairness Commission awareness sessions have been held with elected members.
	Consider what other Councils are doing in terms of effective community engagement is respect of governance.	Director of Public Health	After mid-term review	**Partially Implemented -** A review of what other Councils are doing in relation to Community Engagement and in particular the Wigan Model which is extremely effective has been undertaken. This however would require considerable investment to emulate this model here. A paper for CLT is planned to explore the options.
	Consider how the Council can measure the implementation of the resilient community's priority in terms of outcomes.	Director of Public Health	After mid-term review	**Partially Implemented –** A residents survey is being planned for 2018/19 and this will include questions to measure the implementation of the resilient communities priority.
	Update the Blackpool4Me website to ensure that the information held is current and that it aligns with the Council's website.	Chief Executive	Prior to mid-term review	**Implemented –** The new FYI website is now live and makes the relevant links with Blackpool Council's website.
	Explore more opportunities in wider service areas as part of the channel shift programme.	Director of Resources	Ongoing	**Partially Implemented –** The Channel Shift Team and Strategic Customer Service Group continue to move forward with targeting areas for channel shift. Recently the Council has introduced a residents 'app' that is actively being used to inform

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				residents about roadworks and road closures.
	Improve the level of information published on the Council website so that this is readily available and reduces the number of Freedom of Information Requests.	Director of Governance and Partnerships	Prior to mid-term review	**Partially Implemented** – Where services are actively publishing information it means that the response to a Freedom of Information Request is swifter. The Information Governance Team can respond with a link to the website area and the request does not need to be forwarded to the service. Further work is required to encourage more services to publish relevant information.
Developing, Communicating and Translating the Vision	Embed the process for reporting and monitoring the success and benefits of the Corporate Delivery Unit.	Chief Executive	Prior to mid-term review	**Implemented** – A Board has been established for each of the Council's priorities. The Delivery Unit report progress against their work plan to the relevant Board.
	Ensure that the new business planning framework is embedded, including the quarterly reporting to the Corporate Leadership Team and that an exercise is undertaken to assess the level of corporate / back office support required to deliver the directorate visions.	Chief Executive	Prior to mid-term review	**Partially Implemented** – The Business Planning Framework has been reviewed and revised as a three year planning process that sits alongside the Medium Term Financial Sustainability Strategy and the Workforce Plan. Further work needs to be done on the reporting of progress and actions into CLT.
Performance	Embed the new performance	Chief	Prior to	**Implemented** – There has been a

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
Management	management framework which has been agreed for 2017/18.	Executive	mid-term review	significant amount of work done to develop the Corporate Indicators with CLT and their DMTs. Scrutiny now receives reports on performance relevant to the main agenda to encourage further scrutiny and feedback from members in line with the Forward Plan.
	Request the LGA to undertake a peer review of the Council's Corporate Governance / Health to provide independent assurance and advice on the adequacy of current arrangements.	Chief Executive	Prior to mid-term review	**Partially Implemented** – A Corporate Review is being planned for 2018/19. In 2017/18 the focus of the peer review process has been on planning and communication.
	Embed the Leadership Charter within the Individual Performance Appraisal process and ensure that all employees have an appraisal	Chief Executive	Prior to mid-term review	**Implemented** - This action has been completed and the Leadership Charter is now included within the Managers IPA templates. There is a reporting function available in IPA so that Managers are able to review IPA completion rates in their service in order to monitor compliance and challenge non-compliance. Unfortunately compliance remains an issue.
Compliance with relevant Laws, Regulations, Internal	The Compliance Calendar will be finalised and rolled-out to all managers.	Director of Governance and Partnerships /	Prior to mid-term review	**Partially Implemented –** The compliance calendar has been drafted and agreed by CLT alongside the recent audit report on corporate compliance. The calendar will

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Policies and Procedures		Good Governance Group		be formally launched at a SLT session early in 2018.
	The managers 'quick guide' section on the Hub will be developed to ensure that there is guidance for all items on the Compliance Calendar.	Director of Governance and Partnerships / Good Governance Group	Prior to mid-term review	**Partially Implemented** - Good progress has been made and the compliance calendar contains hyperlinks to the supporting information. Once the development of the compliance calendar is complete a 'gap' assessment will be undertaken.
	Ensure that decision makers are taking and recording decisions at the right level and that they understand the decision making process and the need for an appropriate level of transparency.	Director of Governance and Partnerships	Ongoing	**Partially implemented –** A further decision making audit review was carried out during 2017/18 which focussed on the Resources Directorate and illustrated that there were no immediate areas of concern to address. Regular reports on forthcoming executive decisions are considered by the Corporate Leadership Team. An iPool module on executive decision making is currently being drafted.
	Provide an annual update to Audit Committee on the robustness of the arrangements in place to reduce the risk of a cyber threat.	Director of Resources	After mid-term review	**Partially implemented –** This has not yet been addressed but arrangements will be made to schedule an update to the March 2018 Audit Committee meeting. In addition Audit Committee members will be receiving training relating to cyber risks

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
				prior to their January meeting.
	Implement a robust action plan setting out any required process changes under the General Data Protection Regulations which come into force in May 2018 and raise awareness of the new requirements.	Director of Governance and Partnerships	After mid-term review	**Partially Implemented –** A Corporate GDPR Group is now in place and meeting monthly to address the actions identified to ensure, as far as practical, compliance with GDPR across all Directorates.
Financial Management	Ensure that 2017/18 savings targets are delivered with reduced resource and significant demand pressures.	Director of Resources / All Chief Officers	Ongoing	**Partially Implemented –** The budget pressures are being monitored on a regular basis by the Corporate Leadership Team and any issues identified on delivering savings targets being proactively addressed. The key area of pressure continues to relate to Children's Services.
Audit Arrangements	Seek Full Council approval for the recruitment of an independent member to Audit Committee and aim to have these in post for September 2017.	Director of Governance and Partnerships	Prior to mid-term review	**Implemented –** An independent member has now been appointed with their first meeting being November 2017.
Risk Management	Re-establish the Property Risk Management Group and ensure that this multi-agency group meets at least quarterly.	Director of Resources	Prior to mid-term review	**Implemented -** The Property Risk Management Group has now been re-established and is meeting quarterly.
	Review the Risk Management Framework 2014-2017 to ensure that	Director of Resources /	After mid – term	**Partially Implemented** – The Risk Management Framework has been

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
	this remains fit for purpose with a focus on ensuring that risk management groups are adequately represented and risk tolerances levels are set.	Corporate Risk Management Group	review	reviewed and is currently out for consultation prior to formal approval being sought from CLT in December and Audit Committee in January.
	Launch the revised Risk Management iPool course and deliver business continuity training.	Director of Resources	After mid – term review	**Partially Implemented –** The risk management i-pool course has been developed and piloted. The comments from the pilot are currently being collated and will be passed to Organisational and Workforce Development to make the final changes prior to launch.
	Review the Business Continuity Framework 2014-17 to ensure that it remains fit for purpose and that it encourages good quality plans and includes scenarios to help services test plans	Director of Resources / Corporate Risk Management Group	After mid – term review	**Implemented –** The Business Continuity Framework has been reviewed and approved by CLT and the Audit Committee.
Counter Fraud and Anti-Corruption Arrangements	Identify those staff for which counter fraud training is mandatory and ensure completion of the course.	Director of Resources	Prior to mid-term review	**Partially Implemented -** All staff have now been identified for whom the training is mandatory and compliance with completing the course is being reported to CLT and Audit Committee.
Scrutiny Arrangements	The scrutiny process should be strengthened to improve the level of challenge and look at ways in which	Director of Governance and	Ongoing	**Partially Implemented -** A programme to review and enhance scrutiny is currently being developed in conjunction with North

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	other people, such as service users and the private sector, could be called to give evidence as part of the scrutiny process.	Partnerships		West Employers Organisation and elected members, which will help develop challenge and input into the scrutiny process.
	Ensure that the scrutiny work plan focuses on the key priorities areas and strengthen relationships between the Executive and effective scrutiny.	Director of Governance and Partnerships	Prior to mid-term review	**Partially Implemented -** The scrutiny programme detailed above will involve scrutiny and Executive members. Scrutiny committees consider key performance indicators around Council priority areas.
Leadership and Development	Build a baseline survey which will measure current performance against the Leadership Charter pledges. The survey should provide all employees with an opportunity to assess and comment on their managers and enable the future review and measurement of leadership performance at every level within the organisation.	Chief Executive	Prior to mid-term review	**Partially Implemented** - The survey has been undertaken and it received circa 1,400 responses. Results are being analysed and a report will be taken to CLT. Following that an SLT session will take place to determine next steps.
	Deliver the refocused Leadership Development Programme through the delivery of four events in the year each of which can be for 100 employees. The events should be taster / signposting sessions comprising of Council processes, techniques and new	Chief Executive	Ongoing	**Partially Implemented** - CLT are being asked to approve the format of an SLT session which would involve each Directorate review the survey results for their area and preparing a short presentation on: • Three things they do well.

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	skills and new learning and soft skills.			Three things where there is room for improvement and what support they need to make that change. That information will be collated and fed into a development plan.
	Increase the robustness of succession plans across the Council.	Chief Executive / All Chief Officers	After mid-term review	**Partially Implemented -** This is on the HR Business Plan but due to other priorities has not yet had much focus other than agreement to participate in the LGA Graduate Programme.
	Develop digital skills across the Council to assist in the use of innovation technological solutions to build capacity.	Director of Resource / Chief Executive	After mid-term review (and ongoing)	**Partially Implemented –** The Executive have recently signed off the ICT/Digital Strategy 2017-22. This includes a theme on developing the digital skills of employees. The first 50 employees have participated in a digital skills pilot in which they have received a new hybrid/tablet device and training in digital collaboration skills within Office365. Feedback from the employees in the pilot is very positive with many indicating significant time savings and more efficient way of works. Further training on employee Cyber Skills is being developed to reduce the Council exposure to cyber risks. This is due to be

Issue	Actions	Responsible Officer	Target Date	Mid-Term Position
				made available for the start of the new financial year.
	Implement a robust action plan to ensure that the Council maximises the Apprenticeship Levy through a cross-departmental working group.	Chief Executive	Ongoing	**Partially Implemented -** The Apprentice Levy action plan is in progress and we are making payments and registering apprentices through the new system. Our recruitment processes and systems have been revised to accommodate the changes and we have worked with procurement re: training providers. An update report was taken to CLT in October.