

Blackpool Council

Annual Governance Statement – 2014/2015

Scope of responsibility

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.

The purpose of the governance framework

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 31st March 2015 and up to the date of the approval of the statement of accounts for that year.

The governance framework

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

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

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.

The Council Plan will be reviewed in 2015/2016 with a new Council Plan consulted upon during the summer and published in September 2015. During the consultation a review of the priorities and values will be undertaken, this will then be refreshed as part of the business planning arrangements.

Performance Management

Over recent years the inspection regime in some areas has reduced. 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 2014/15 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 was strengthened in 2014/2015 by the introduction of an annual programme of business plan challenge sessions. These meetings were chaired by the Leader of the Council and the Chief Executive and sought 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 were invited to attend the meeting to answer questions or provide further information for the review.

The purpose of the review process was 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.

The performance management arrangements will be reviewed for the authority in light of the publication of the new Council Plan in 2015/2016.

Roles and Responsibilities

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 set 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

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 three 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.

In 2014/15 workshops were held with Standards Committee members at Blackpool Council to develop a new Members Code of Conduct. This has now been drafted and will be approved in 2015/16.

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

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.

Certain Officer decisions are now published in line with the legislation which came into force in 2014.

The Constitution is reviewed and updated on an ongoing basis.

A training session on the decision-making process was delivered to approximately 50 senior managers at the Council in 2014/15.

Risk Management

The Corporate Risk Management Group meets quarterly to co-ordinate and promote risk management activity. 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 where appropriate.

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

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.

A Corporate Fraud Officer is in place to deal with a range of corporate fraud issues, including Council Tax Reduction Scheme. It is intended to increase capacity in this area in 2015/2016 to focus on insurance fraud and further proactive work.

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

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. 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

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 annually 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).

Assurance Arrangements

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 18th June 2015.

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 the Public Sector Internal Audit Standards. An external review of the Council's compliance with the Public Sector Internal Audit Standards is planned for 2015/16.

Monitoring Officer

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

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

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

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

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 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

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 member's induction programme was developed in 2014/2015 ahead of new members being elected in May 2015.

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

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

The Council introduced the 'Council Couch', intended to reach residents whose voices are not often heard through the usual engagement channels. The initiative ran at 16 different locations around Blackpool for 8 weeks in late summer, with senior officers speaking to over 400 people on whatever was important to them.

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.

As part of our statutory arrangements on Health and Wellbeing, Healthwatch Blackpool has used a series of Open Events and engagement techniques to seek views on health and social care services. They have undertaken a programme of 'Enter and View' visits to care homes from the CCG, carried out patient-led assessments of the care environment at hospitals, hospices and day treatment centres, and developed and delivered a dentistry survey.

The Council sought the views of 750 local residents through a General Household Survey, ensuring we have an accurate picture of resident priorities, perceptions of the Council and our services. The survey will be undertaken every two years to ensure that we deliver service improvements in line with resident expectations.

The Council is part of a Local Authority Research Partnership known as Infusion Research. Based at Nelson Town Hall in Pendle, they provide consultancy support on primary research and consultation programmes at a preferential rate. They worked on 27 projects in 2014/15,

including internal staff surveys plus public research on Blackpool Town Centre, the Blackpool Museum, the Air Show and Adult Learning.

The Blackpool Fairness Commission undertook a review of its governance arrangements during 2014/2015 as part of a wider consultation exercise to make sure the Commission, its structure and membership are fit for purpose. In the last year the Commission has held a number of engagement events with older and young people, held a number of steering group meetings and championed local issues such as Fairtrade and Dementia.

Consultation also takes place with staff, particularly through the Point of View sessions where the Chief Executive meets with a wide range of employees.

Partnerships and Joint Working

Following the award of £45m of lottery funding to the Better Start project led by the NSPCC, the Council has now formed partnership arrangements to deliver projects targeting 0-3 year olds in seven of our most deprived wards. Staff based at Bickerstaffe House have been appointed and governance arrangements established to ensure the effective delivery of the project.

Review of effectiveness

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 senior 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 2014/2015 and these include:

- All Directors, in conjunction with the Risk Champions, have completed a control self-assessment on the internal control framework within their departments.
- The Finance and Audit Committee have undertaken a self-evaluation of their effectiveness.
- The strategic risk register has been reviewed by the Corporate Leadership Team.
- 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 reviewed 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

As part of the review of significant governance issues highlighted in 2013/2014 it has been deemed appropriate to remove some of the actions as these have now been effectively addressed included in this are:

Governance Issues Addressed in 2014/2015		
Issues	Action to be taken	Responsible Officer
Risk Management	Ensure that all departments have in place an effective Departmental Risk Management Group.	Director of Resources
Protect vulnerable adults and children.	Ensure that adequate controls are put in place to safeguard vulnerable adults and children. Ensure that steps are taken to address the control failings identified in the recent inspection reports.	Director of People

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 2014/2015 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.

Governance Issues to be Addressed in 2015/2016		
Issues	Action to be taken	Responsible Officer
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. Plans for the management of recurrent pressures to be developed for all directorates.	Chief Executive / Director of Resources
Project management	Undertake an advisory role to ensure effective project management leads to successful project outcomes	Chief Executive

	<p>across all Council projects.</p> <p>Ensure effective project management leads to successful project outcomes within sphere of influence.</p> <p>Ensure adequate project management resource is available to deliver key projects.</p>	
Property Rationalisation	<p>Deliver Council's accommodation strategy and reduce desk footprint.</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>	Director of Resources
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 and subsequent contract management.</p> <p>Development of integrated commissioning frameworks with economies of scale.</p> <p>Delivery of Personalisation agenda.</p>	Director of Resources / Director of People
Compliance with Corporate Requirements	<p>Ensure that all staff completes mandatory training requirements.</p> <p>Ensure that effective workforce development planning is in place.</p>	Deputy Chief Executive

	<p>Ensure that all Individual Performance Appraisals are completed.</p> <p>Ensure that business plans are in place for all directorates.</p> <p>Increasing compliance requirements for complaints, asset and data security, data protection and FOI requests whilst resources continue to reduce.</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>Changes in legislation leading to a surge in insurance claims, particularly regarding children sexual exploitation / abuse and court-determined orders with costs falling to the local authority.</p>	Chief Executive / Director of Resources
Performance management	<p>Performance management arrangements should be reviewed.</p> <p>Conclude the review of performance management with the LGA to strengthen the integrity of reporting data both internally and externally to residents.</p> <p>Review how the Council consults with its communities through the review work of the Corporate Plan.</p> <p>Develop a comprehensive training programme for Scrutiny Committee members whose focus will be performance</p>	Deputy Chief Executive

	management.	
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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)

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