

**Report to:**

**AUDIT COMMITTEE**

**Relevant Officer:**

Mark Towers, Director of Governance and Partnerships

**Date of Meeting:**

19 January 2023

## **ANNUAL GOVERNANCE STATEMENT 2021-22 HALF-YEAR REVIEW**

### **1.0 Purpose of the report:**

1.1 To provide Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2021-2022.

### **2.0 Recommendation(s):**

2.1 Audit Committee is asked to note the Annual Governance Statement half-year review for 2021/2022.

### **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 approved by the Council? No

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

3.3 Other alternative options to be considered:

None.

### **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 Code of Governance, agreed by Full Council in September 2021, includes the governance framework which 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 3(a) – Annual Governance Statement 2021-22 Half-Year 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 There are no additional human resource implications as a result of this report.

**8.0 Equalities considerations:**

8.1 There are no equalities considerations as this is a monitoring report.

**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 2021/2022.

**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 This report is in line with the council's values in particular to be accountable.

**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 Accountancy
- Head of ICT
- Transformation Manager
- Head of Democratic Governance

- Head of HR and Organisational Development
- Head of Legal Services
- Head of Information Governance
- Head of Audit and Risk

The outcome of the half-yearly review was approved by the Corporate Leadership Team on the 10 January 2023.

**13.0 Background papers:**

13.1 None.

**Appendix 3(a) - Annual Governance Statement 2021-22 Half-Year Review**

Issue	Actions	Responsible Officer (s)	Target Date	Progress
<p><b>Code of Conduct and Behaviours</b></p>	<p>Implement programme of training for members on the revised Code of Conduct which includes specific training for Executive Members, Chairs and those in special responsibility positions.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><b><u>Not Yet Started</u></b> This has been deferred until after the local elections in May 2023.</p>
	<p>Reinstate the regular reminder to elected members around registering gifts and hospitality.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>Implemented</u></b> Six monthly reminders are now being sent.</p>
<p><b>Organisational Culture</b></p>	<p>The Shareholder Committee should ensure that the wholly owned companies are delivering in line with the Council’s values.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><b><u>Implemented</u></b> Process now in place where if the Shareholder requires any policies to be adopted by wholly-owned companies, items are taken to company boards for adoption. For example the Care Leaver Covenant which is currently going to each company board.</p>
<p><b>Ethical and Responsible Governance</b></p>	<p>Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b> Some initial research has been undertaken as to what could be</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	Shareholder and the decision making process.			included and a draft statement is in place which will be progressed.
	During 2022-23 a statutory review of the Council's Equality Objectives will be conducted.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The review has commenced with a scoping paper and consultation brief agreed by the Cabinet Member and Corporate Leadership Team in November 2022.</p> <p>The next stage will be an extensive period of stakeholder engagement, which will take place until March 2023.</p>
	Refresh employee equalities data as part of the roll out of the new HR system.	Chief Executive	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>A new Employee Self Service system launched 7th November 2022 and employees have been invited to refresh their data.</p>
<b>Commitment to Openness, Communication and Consultation</b>	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources. This will include consideration of the	Director of Resources / Director of Communication and Regeneration	After mid-term review	<p><b><u>In Progress</u></b></p> <p>A new concessionary travel application form is now live and progress continues to be made in Benefits and Revenues with</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	<p>recommendations made in the Channel Shift Scrutiny Review.</p>			<p>changes to introduce new and simplify existing online forms and the ability to report digitally.</p> <p>A corporate post scanning project is underway and several online forms have been developed for recent government initiatives e.g. Household Support with residents being assisted to complete them where they are unable to use online channels.</p> <p>Changes to corporate telephony continue to be made to assist services to manage demand.</p> <p>Other Channel Shift projects are ongoing but progress is slow due to existing demand on services and available resources.</p> <p>Statistics for a number of services continues to show that overall 69% of requests are completed online.</p> <p>The Channel Shift Scrutiny Report was agreed by the Executive in September 2022. A number of</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				<p>recommendations were made with a target date for implementation being September 2023. The Scrutiny Leadership Board will be monitoring the implementation of recommendations going forward.</p>
	<p>Undertake a resident's survey and use the results to help inform future decision making. Consideration will be given as to how to engage a wide range of residents as part of the survey.</p>	<p>Director of Strategy and Performance (Assistant Chief Executive)</p>	<p>After mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>The Resident's Survey was undertaken by QRS Research and closed on 3rd December 2022.</p> <p>The methodology was a random sample using both landline and mobile telephone numbers.</p> <p>The research company worked to quotas to ensure adequate coverage of all wards, and collecting information on age, sex, disability, ethnicity and sexuality to ensure representation.</p> <p>The results of the survey will be analysed and used to inform future decision making at the Council.</p>
	<p>Implement a Community Engagement Framework and</p>	<p>Director of Strategy and</p>	<p>Before mid-term review</p>	<p><b><u>Implemented</u></b></p>



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	supported guidance to ensure a coordinate and robust approach is in place, building on the learning gained during responding to the current pandemic.	Performance (Assistant Chief Executive)		<p>The Community Engagement Framework was approved by Executive in October 2022 and work commenced on the implementation process across services.</p> <p>In addition, the Council are opening discussions with wholly owned companies for potential adoption as requested by the Executive.</p>
<b>Performance Management</b>	Prepare for the expected OFSTED inspection of children's services in 2022.	Director of Children's Services	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The inspection of Children's social care took place over a two week period commencing on the 5<sup>th</sup> December 2022. Once the formal report is received action will be taken as appropriate to address any recommendations arising.</p>
	Prepare for the potential CQC inspection of adult social care in 2023.	Director of Adult Services	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Work is ongoing to ensure preparedness for the expected CQC inspection through self-assessment and initiative's to</p>

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				further improve services. The date of the actual inspection has yet to be confirmed but is expected at some point in 2023.
<b>Decision Making</b>	Undertake a review of the Council's Constitution in conjunction with senior elected members in key governance positions.	Director of Governance and Partnerships	After mid-term review	<p><b><u>Implemented</u></b></p> <p>An informal working group has been established comprising Deputy Leader, Audit Chair, Scrutiny Leadership Board Chair and Standards Chair. Two meetings have been held so far to review the Articles of the Constitution and Procedural Standing Orders.</p> <p>A report to Council on 30 November 2022 of recommended changes was approved.</p>
<b>Compliance with laws, regulations and internal procedures.</b>	Undertake a review of the Council's Procurement Policy and procedures in light of any changes following changes to regulations.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Early preparation for implementation is underway however Central Government has advised that legislation will now not come into effect until late 2023 at the earliest.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				A framework for learning has been rolled out by Central Government and consideration will be given to how to disseminate this across the Authority.
	Ensure robust contract and project management procedures are implemented for the regeneration programme being undertaken across the town.	Director of Communications and Regeneration	After mid-term review	<p><b><u>Implemented</u></b></p> <p>The Town Deal programme amounts to £39.5m across 7 schemes which provide a major element of the regeneration programme across the town.</p> <p>To meet with Government requirements on fund oversight and assurance a “Programme Management Framework” has been developed which oversee the whole approach to the delivery of the programme including :</p> <ul style="list-style-type: none"> <li>● Claims and monitoring and role of Programme Monitoring Office (PPMO)</li> <li>● Accountability role of Council</li> </ul>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				<ul style="list-style-type: none"> <li>• Governance &amp; project management</li> <li>• Project Management (project manager roles)</li> <li>• Board(s) oversight including Town Deal Board, Town Deal Investment Panel, Town Deal Project Board, Growth and Prosperity Board</li> </ul> <p>This framework approach has been used for the Community Renewal Fund which is nearing closure and will also be adopted for the forthcoming Shared Prosperity Fund and any Levelling Up Fund approvals.</p>
<b>Audit Arrangements</b>	Opportunities to review good practice with other Audit Committees will be explored through the new forum established by the Chartered Institute of Internal Auditors / LGA.	Director of Governance and Partnerships / Director of Resources	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>A meeting has been arranged for the 11<sup>th</sup> January 2023 between the Chair of Audit Committee, Director of Governance and Partnerships and Head of Audit and Risk to</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				discuss succession planning for the Audit Committee.
	Improve the link between Audit Committee and the Scrutiny process.	Director of Governance and Partnerships	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The Chair of Audit sits on the Scrutiny Leadership Board (SLB) and has also taken part in scrutiny reviews where the SLB have taken a lead as a cross-cutting review.</p> <p>Progress to further integrate is ongoing via referrals from the Audit Committee to the SLB.</p>
	Consider rolling out access to the Audit Training Academy to all elected members and potentially members of company Audit Committees.	Director of Governance and Partnerships	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Training for wider group of members to form part of Members Induction Scheme.</p> <p>Audit training programme is in place for non-executive directors for wholly owned companies.</p>
<b>Risk Management</b>	Review the strategic risk register and the deep dive review process for 2022/23 to better group the risks and enable a better	Director of Resources	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>The strategic risk register for 2022/23 was reviewed and now has a number of risk categories to help theme the risks.</p>

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	understanding of the actions being taken by the Council.			A programme of deep dive reviews has also been developed, using a revised template. This enables the Corporate Leadership Team and Audit Committee to gain assurance that risks are being managed, opportunities sought and controls challenged where there are concerns.
	Review the Council's Corporate Business Continuity Plan to ensure that the critical activities list remains up to date.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The vast majority of service level business continuity plans are now on the new template. Work is due to commence early in 2023 to update the Corporate Business Continuity Plan and Critical Activity List based on the revised service level plans. This should be concluded by March 2023.</p>
<b>Counter Fraud</b>	Implement a communications strategy for raising fraud awareness and ensuring that employees and the public are aware of how to report fraud to the Council.	Director of Resources	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>A quarterly programme of fraud awareness communications is in place for employees and residents.</p>

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				This includes the use of various methods of communication including the Employee Newsletter, the Hub, social media, Your Blackpool Electronic Newsletter and the press.
<b>Scrutiny Arrangements</b>	Follow-up external 'peer' assessment of North West Employers on scrutiny arrangements.	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b> Scope of review has been agreed with North West Employers and programme of review has been scheduled.
<b>Learning and Development</b>	Undertake further work on succession planning for Senior Leadership Team roles including the development of an aspiring leader programme.	Chief Executive	After mid-term review	<b><u>In Progress</u></b> Emerging Leaders programme developed as a co-production exercise with the Senior Leadership Team and signed off by the Corporate Leadership Team. The application process for first cohort underway.  A succession planning exercise for SLT roles has been undertaken with each Chief Officer reviewing/validating the feedback. This will then be taken to a

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				dedicated review/ challenge session with CLT to determine opportunities, risks and priorities for action.
	Use the findings from the employee survey to develop a new Workforce Development Strategy for the Council.	Chief Executive	After mid-term review	<b><u>Not Yet Started</u></b> Still outstanding due to the need to prioritise the implementation of the new HR and Payroll system.
	Review of member induction programme ahead of the local elections in 2023.	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b> Outline of induction programme has been reviewed by the Member Training Panel. New induction programme currently being developed ahead of the elections in 2023.
<b>Partnership and Joint Working</b>	Develop a register of existing partnerships so that governance arrangements can then be assessed.	Director of Governance and Partnerships	Before mid-term review	<b><u>In Progress</u></b> A template register has been produced. Consultation has been undertaken with directorates to start to populate the register based on the Partnership Framework criteria.



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	Wholly owned company Boards to adopt the Governance Framework and further development of associated governance documents.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>All wholly owned companies have adopted the governance framework as well as the revised accompanying documents including non-executive director agreements, conflicts of interest policy, board member disputes policy and procedures for dealing with senior management disciplinary matters.</p>
	Ensure delivery of the recommendations made in the audit report relating to governance of wholly owned companies. This includes improving the way in which company risks are reported to the Shareholder.	Director of Governance and Partnerships	After mid-term review	<p><b><u>In Progress</u></b></p> <p>See report to Audit Committee on 24 November 2022 for progress. Ongoing progress will continue to be reported to the Shareholder Committee.</p>
	Maximise the opportunity for digital literacy via the Fibre Blackpool project in order to improve the health and wellbeing of our residents.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The Fibre Blackpool project continues to make good progress and is currently provisioning fibre to the new housing at the Grange. The Digital Blackpool project in partnership with Public Health,</p>

<b>Issue</b>	<b>Actions</b>	<b>Responsible Officer (s)</b>	<b>Target Date</b>	<b>Progress</b>
				Blackpool Libraries, Adult Learning, Groundworks and ICT Services is now getting high take up of the recycled laptops and connectivity and is looking for further funding to expand.