

Draft Annual Governance Statement 2022/2023

Appendix 6(a)

Blackpool Council



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 efficiently, economically and effectively.

The 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

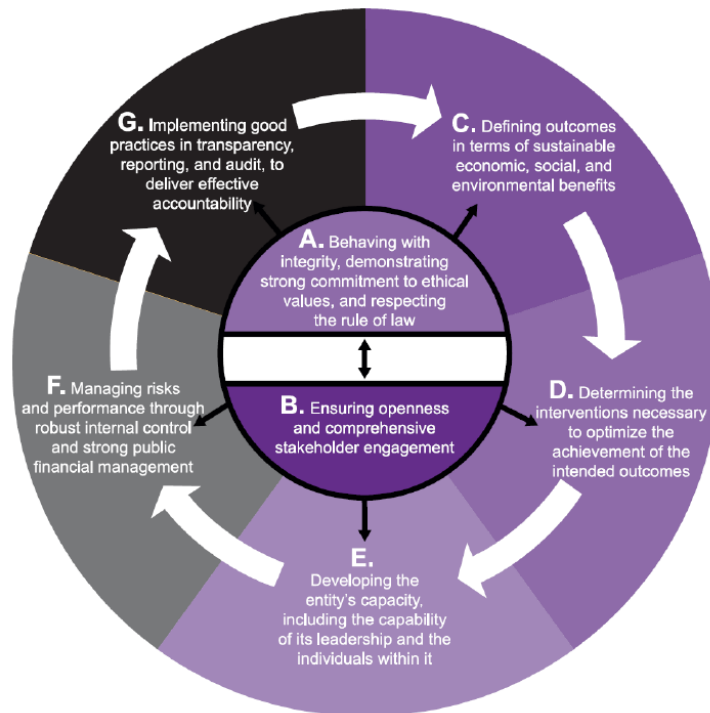
Blackpool Council has approved and adopted a Code of Corporate Governance in October 2021, which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government.

The Accounts and Audit Regulations (2015) also 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. This statement explains how Blackpool Council has complied with the code and in doing so undertaken that review.

The Purpose of the Annual Governance Statement

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. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it exercises its functions, having regard to a combination of economy, efficiency and effectiveness.

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 shown by the following diagram as to how they relate to each other.



This governance framework which is a part of the Code of Governance has been used to compile this Annual Governance Statement for Blackpool Council to deliver on the aforementioned principles, for the year ended 31st March 2023 and up to the date of the approval for the statement of accounts for that year. 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.

The Governance Framework

The key elements of the structures and processes that comprise Blackpool Council’s governance arrangements make up the Governance Framework for the Council and are summarised in the following sections of this statement.





Code of Conduct and Behaviours

Codes of Conducts are in place that define standards of behaviours for elected members and officers. Adherence to these is a key part of good governance. The elected members code of conduct, based on the Local Government Association model code was approved by Council at its meeting in May 2022. These are further supported by the Council’s Whistleblowing Policy, Registers of Interests and Gifts and Hospitality Policies.

Processes are in place to deal with non-compliance through the laid down requirements for the Chief Executive and Chief Officers and the Council’s Disciplinary Policy for other Officers and/or Standards complaints procedure for Elected Members.

A Leadership Charter is in place which aims to bring to life the vision for the Council’s workforce as outlined in the Workforce Strategy 2016-2020 and it has been embedded with the Individual Performance Appraisal Process (IPA). There are plans in place to refresh the Workforce Strategy during 2023/24 based on feedback from the employee survey which has been undertaken during 2021/22 and following the implementation of the new HR and Payroll system.

AGS Actions Completed in 2022/23

- Reinstated six monthly reminders to elected members around registering gifts and hospitality.

Key Supporting Policies and Procedures

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|--|---|
| Code of Governance | Agenda for Council on Wednesday, 29th September, 2021, 6.00 pm (blackpool.gov.uk) |
| Code of Conduct for Members | Blackpool Council Constitution, Part 5a Code of Conduct for Members |
| Officer Code of Conduct | Blackpool Council constitution Part 5b - Officer code of conduct |
| Registers of Members’ Allowances and Interests | Allowances and registers of Interest (blackpool.gov.uk) |
| Whistleblowing Policy | Agenda for Standards Committee on Thursday, 20th July, 2017, 6.00 pm (blackpool.gov.uk) |



Organisational Culture

The Council’s organisational culture is driven by a set of values which have been defined and previously agreed by Council which all employees and elected members are expected to adhere to and these include:

- 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 everybody we meet with dignity and respect
- We take pride in delivering **quality** services that are community focussed 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 Director of Children’s Services and her staff are embedding a new culture across Blackpool ‘Blackpool Families Rock’. The commitment is to work with families not ‘do things to them’ with the child at the heart of everything that the Council does and to work with families at the lowest possible level to prevent their needs from escalating to a higher level.

To deliver its ambitions the Council needs to be efficient and resilient. An entrepreneurial culture has been developed across the Council and continues to be embedded in order to develop different ways of working and maximising the Council’s chances of achieving its outcomes. Examples of this include the Council’s Wholly-Owned Companies working together with the council on a co-ordinated vision, bidding for funding, working in partnership, the business loans fund and making savings whilst transforming services.

By incorporating social value into our procurement and commissioning activities the principles align with the Council’s values, which inform the way we make decisions, the way we work, and the way we develop and provide services to the people of Blackpool. **A Corporate Social Value Group is in place** to continuously improve the Council’s approach (and that of its wholly owned companies) to derive maximum tangible social value benefit from its spend and regeneration programmes.

AGS Actions Completed in 2022/23

- The Shareholder Committee ensures that the wholly owned companies are delivering in line with the Council’s values through the adoption of key policies via Company Boards. This will continue to be reiterated during periods of transition and significant changes to the Board.

Key Supporting Policies and Procedures

Senior Employees

[Blackpool Council | Senior employees and officers](#)



Organisational Culture

| | |
|---|--|
| Council strategies, policies and plans | Blackpool Council Council strategies policies and plans |
| Working Well with Children and Families in Lancashire | Early Help and Thresholds for Intervention Blackpool Safeg... (blackpoolsafeguarding.org.uk) |



Ethical and Responsible Governance

At its meeting of 26th June 2019, the Council passed a motion to declare a Climate Emergency. The primary commitments made are to make the Council's activities net-zero carbon by 2030 and achieve 100% clean energy across the Council's full range of functions by the same date. The declaration also covers leadership to achieve a reduction in emissions across the town generally, engagement with the public and stakeholders, effecting a culture change across the Council, wholly-owned companies, staff and partners and taking a role to exert wider influence beyond Blackpool on this issue.

A steering group has been established to lead this issue internally, which includes representation from the Council's wholly-owned companies. The Citizen's Assembly held in 2021 developed actions for inclusion in a Climate Action Plan, progress on which is reported to Tourism, Economy and Communities Scrutiny Committee every six months. A new team has been created and recruited to, ensuring that progress can be made at pace, with new sustainability performance indicators identified to check progress. A Sustainability Impact Assessment process has been rolled out across services to support on the consideration of environmental issues in decision-making, with an accompanying "carbon calculator" to review emissions from capital projects of over £100k. The Council has also established a Blackpool Climate Action Partnership with representatives from stakeholders across the town to lead on this agenda locally, whilst the Blackpool Fylde and Wyre Economic Prosperity Board has established Green Growth as a priority, and has been supported by the Council's Strategy and Climate Lead on this agenda.

The Council's approach to its legal requirements in the Equality Act are expressed by Equality Goals, which are reviewed every 4 years. Each of these goals are linked to specific and measurable improvements which are tracked in accordance with this cycle. The equality goals are:

- All people to experience fair treatment from our services.
- To make our workforce fully representative of our communities and embed Equality in our culture.
- More people from diverse backgrounds are involved in our decision-making.
- We celebrate our town's growing diversity and increase respect and understanding for all.

The Council aims to ensure all its plans/strategies and other decisions are equality assessed to make sure it takes regard of the needs of groups with protected characteristics.

Going beyond this, a rolling programme of departmental and company equality assessments are undertaken. This work helps to consider how to contribute to the Council's wider aims of eliminating discrimination, harassment and victimisation; how to advance equality of opportunity; and help how different groups of people get along together.

With the introduction of the new Human Resources system an exercise was undertaken asking employees to use the employee self-service function to add/update their equalities data as part of a Council wide refresh.



Ethical and Responsible Governance

AGS Actions Completed in 2022/23

- Refreshed employee equalities data as part of the roll out of the new HR system.
- Carried out a statutory review of the Council’s Equality Objectives.

Key Supporting Policies and Procedures

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|-----------------------------------|--|
| Climate Emergency Declaration | Blackpool Council climate emergency Climate emergency |
| Climate Change Action Plan Update | Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk) |
| Workforce Diversity Report | Blackpool Council Equality and diversity |
| Gender Pay Gap Report | Blackpool Council Pay policy |



Commitment to Openness, Communication and Consultation

The Council complies with the requirements of the Transparency Agenda and provides a range of information in the public domain through its website.

The Council adopts a priority campaign planning approach using a variety of different marketing communications channels. Key messages are also communicated to residents in the 'Your Blackpool' publication. The Council has enhanced its use of social media and has started to move towards greater use of these platforms as part of a strategic approach to communications.

The Council continue to increase the direct communication and engagement with local businesses so that they have a detailed understanding of the benefits of the regeneration work that the Council is undertaking. This is being done via the Council's own communication channels as well including VisitBlackpool, as utilising partner organisations including StayBlackpool, the Town Centre and Tourism BIDs, Blackpool Unlimited, Fylde Coast Responsible Business Network and the Blackpool Business Leadership Group.

As required by the Freedom of Information Act 2000 the Council proactively publishes information within its publication scheme and has in place a system to respond to requests for information. Compliance with the legislation including responding within the statutory timeframe is managed by the Information Governance Team and reported through to the Corporate Leadership Team by the Data Protection Officer.

Consultation and engagement with the public takes place by the lead service area, which can access the Council's in-house cost recovery research team Infusion Research, for wider ranging or more complex consultation exercises. Advice can also be sought from the Community Engagement Team.

The Council successfully bid for funding from the National Institute for Health and Care Research to create an innovative Health Determinants Research Collaboration, which involves local people in the co-production of research projects aimed at better understanding and ultimately addressing four priority areas: the first three years of life, housing, education employment and skills, and mental health.

In Autumn 2022, the Council undertook a resident's survey, delayed by the COVID pandemic from 2020. As with the previous survey in 2018, this representative survey investigated resident views on a variety of community and service delivery issues.

AGS Actions Completed in 2022/23

- Developed a Community Engagement Framework and supported guidance to ensure a coordinate and robust approach is in place, building on the learning gained during responding to the current pandemic.
- Carried out a resident's survey to get their view on the services delivered by the Council and understand what is important to them.

Key Supporting Policies and Procedures



Commitment to Openness, Communication and Consultation

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|--------------------------------|--|
| Council Agendas and Minutes | Browse Meetings, 2022 2023 (blackpool.gov.uk) |
| Online Council meetings | Blackpool Council - YouTube |
| Open Government Licence | Open Government Licence (blackpool.gov.uk) |
| Transparency and Open Data | Transparency and open data (blackpool.gov.uk) |
| Freedom of Information | Freedom of information (blackpool.gov.uk) |
| Community Engagement Framework | COMMUNITY ENGAGEMENT FRAMEWORK (blackpool.gov.uk) – October 2022 |



Developing, Communicating and Translating the Vision

In 2022 the Council produced a progress update to its 2019 to 2024 council plan and moved to ensure that local people and businesses obtain the maximum benefit possible. As a result, whilst the vision that Blackpool continues to be ‘The UK’s number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town’, the order of the Council’s two priorities has been reversed compared to the plan initially approved, putting the communities priority first:

- Communities: Creating Stronger Communities and Increasing Resilience.
- The Economy: Maximising Growth and Opportunity across Blackpool.

Beneath each priority the plan details the key challenges faced by Blackpool and the key projects and schemes which will be implemented to address these issues. The Council Plan seeks to address the big issues and policy drivers facing local government. The concept of organisational resilience – ensuring that the organisation is capable of delivering the priorities, meeting its legal requirements, and maintaining sustainability into the future - is captured throughout the plan, with the detail included in the Council’s wider policy framework. The Council priorities feed into directorate business plans and are a key tool for managers to use when developing business plans. The business plans then feed into Individual Performance Appraisals (IPA).

The Council has a key role in working with partner organisations in order to translate the vision for Blackpool into deliverable actions. This has been particularly demonstrated through the core coordination role that the Council took on board in response to the pandemic from March 2020 to ensure that the local community was effectively supported by a wide range of organisations.

The Council’s Annual Staff Conference was not able to be held in the usual way this last year but the Chief Executive, Director of Communication and Regeneration and Leader of the Council hosted virtual ‘Ask a Question’ event for staff in December 2022.

AGS Actions Completed in 2022/23

- N/a

Key Supporting Policies and Procedures

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|---------------------------|--|
| Council Plan 2019 to 2024 | Agenda for Council on Tuesday, 8th March, 2022, 6.00 pm (blackpool.gov.uk) |
| Capital Strategy | Agenda for Council on Wednesday, 22nd February, 2023, 6.00 pm (blackpool.gov.uk) |



Performance Management

A Policy Framework is in place which sets out the Council’s corporate strategies and plans. Corporate resource is available to support services on the development of strategies and shaping them in line with corporate objectives.

The Council’s performance management system is now well established, with strategic performance reported to Corporate Leadership Team, members of the Executive and the Scrutiny Leadership Board, whilst local performance indicators are managed through the business planning process. The Deputy Leader’s portfolio includes responsibility for oversight of performance management which is achieved through meetings of the Leadership Board which is an informal meeting of Council Chief Officers and the Executive and also be regular reporting to the Scrutiny Leadership Board. The suite of Council Plan headline Key Performance Indicators has been reviewed so that some of the measures around post-COVID recovery are incorporated into ongoing performance reporting.

The Council actively engages in inspections by regulatory bodies including OFSTED and the CQC. During the year an OFSTED inspection of Children’s Social Care found a marked improvement in service delivery and whilst further work needs to be undertaken the service is in a better position than after the previous inspection. The results of such inspections are incorporated into the Council’s Strategic Risk Register with the Audit Committee undertaking deep dives to better understand the impact that performance has on risk and opportunities.

The Individual Performance Appraisal (IPA) process which is in place is part of the Council’s wider approach to performance management. The IPA process is an important tool designed to provide an opportunity to establish and understand expectations and to evaluate performance in order to help employees develop to their full potential. The IPA process is not a replacement for day to day people management, so in addition employees are supported by their line managers and should be mentored, coached and directed according to their individual needs. This may come through regular one to one meetings, formal supervision meetings, team meetings and informal feedback.

The Leadership Charter supports the Council’s priorities and values and is included in the Manager’s IPA template. The Council has undertaken two Leadership surveys to benchmark performance and progress against the new Charter and this has evidenced that from a good baseline there has been further improvement. Going forward the plan is to undertake this survey at agreed intervals.

AGS Actions Completed in 2022/23

- Participated in the OFSTED inspection of children’s services in December 2022 which concluded that performance is improving in this area.

Key Supporting Policies and Procedures

Policy Framework

[Blackpool Council constitution | Part 8 - Strategic planning process](#)



Performance Management

Children's Service Ofsted
Inspections

[Ofsted | Blackpool Borough Council](#)



Roles and Responsibilities

A list of responsibilities and functions for each Council committee is contained within the published Constitution. These are reviewed annually with any changes made at the Council’s Annual Meeting to ensure that they continue to be fit for purpose. The Executive has agreed a set of criteria relating to the levels of decision making within the executive framework 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. Annually, through the Individual Performance Appraisal process individual objectives are set for each officer which align with their job description and the Business Plan for the Service in which they work.

The Corporate Leadership Team has been extended monthly to involve key Heads of Service in the decision making and leadership process. Steps continue to be taken to address some of the concerns with ‘hard to recruit to posts’ and this will form part of the audit plan for 2023. In addition, there is ongoing investment in digital technologies to help improve capacity across the Council.

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

The Council has designated a Monitoring Officer and Deputy with appropriate qualifications and experience. 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 the Council for ensuring that governance procedures are followed and all applicable statutes and regulations are complied with.

AGS Actions Completed in 2022/23

- N/a

Key Supporting Policies and Procedures

| | |
|---|---|
| Responsibilities for Functions | Part 3 - Responsibility for functions (blackpool.gov.uk) |
| Responsibilities for Functions - Officers | Part 3 - Responsibility for functions (blackpool.gov.uk) |
| Statutory Officer roles – Article 13 | Blackpool Council constitution Part 2 Articles |



Decision Making

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 and this is reviewed on a regular basis.

All Executive decisions contain all relevant policy implications including financial, risk management, human resources, equality analysis, legal, sustainability, climate change and environmental considerations and links to Council priorities. All Executive decisions are subject to finance and legal approval before they are taken forward for a decision to be made. The Monitoring Officer or a designated representative, receives all decisions before they are processed and therefore is able to check the robustness of data quality prior to a decision being submitted for formal approval.

The Council's Constitution, including the Scheme of Delegation, sets out the arrangements and protocols which are in place to enable effective decision making within the authority. There are also departmental schemes of delegation which were refreshed and updated in early 2023. The Constitution's Articles and the Procedural Rules for Council meetings and committees were also updated and agreed by Council in November 2022.

Cabinet Member and relevant Officer Decisions are published to meet transparency requirements and inform the public.

| AGS Actions Completed in 2022/23 | |
|---|--|
| <ul style="list-style-type: none"> Undertaken a review of parts the Council's Constitution in conjunction with senior elected members in key governance positions. | |
| Key Supporting Policies and Procedures | |
| Agendas and Minutes | Browse Meetings, 2021 (blackpool.gov.uk) Browse Meetings, 2022 (blackpool.gov.uk) |
| Executive and Cabinet Member Decisions | 1 April 2021 - 31 March 2022 (blackpool.gov.uk) |
| Officer Decisions | Officer decisions, 1 April 2021 - 31 March 2022 (blackpool.gov.uk) |



Compliance with relevant Laws, Regulations, Internal Policies and Procedures

A wide range of corporate policies and procedures are in place to ensure compliance with laws and regulations. These cover all key areas including financial management, human resources, procurement, contract management, risk management, business continuity, data protection, health and safety management arrangements and safeguarding arrangements.

Internal and external audit arrangements are in place to provide a reasonable level of assurance on compliance with the Council's system of internal control.

The Council has obtained PSNN, PCI and N3 security compliance so that it can effectively share data with other organisations including the National Health Service and the Department for Work and Pensions. During 2022/23 the Council also obtained Cyber Essentials Plus accreditation. There is an ongoing review of cyber risks and progress against this is monitored by the Audit Committee via the deep dive process. An ICT Security Policy is in place supported by relevant training for all staff.

An Information Governance Team is in place managed by the Head of Service who carries out the function of the Statutory Data Protection Officer and works with Council services to ensure that personal information is appropriately safeguarded and the Council fully complies in line with the UK General Data Protection Regulations (GDPR) and Data Protection Act 2018. Compliance is also monitored by the Council's Information Governance Group and regular compliance reports are tabled at the Corporate Leadership Team. The Head of Service and his team also carry out that same function for the Council's wholly owned companies, its maintained schools and a selection of academies to ensure consistency and to give the Council assurance over those organisations it has a responsibility for or works closely with.

A Corporate Procurement Team supports Heads of Services and Service Managers to undertake market engagement for those goods, services and works which are delivered through third-party organisations. Procedures are in place to ensure compliance with the Public Contract Regulations Act 2015 and the Council's Contract Procedure Rules. Standard Control Documents are used to ensure consistency of practice, demonstrate value for money and to maximise social value through tendering and contract arrangements.

Reformed procurement legislation is due to be approved by Parliament which will lead to an overhaul of the 2015 Public Contract Regulations. As details of the new legislative framework become known the necessary updates will be made to ensure that the Council's Contract Procedure Rules and associated guidance and standard control documents reflect any required changes in practice.

Contract management arrangements are in place and it is expected that robust project management methodologies are applied to projects, including the numerous capital schemes which are planned for the town.

Mandatory training is delivered in a number of ways including a mandatory training pack for non IT users and through the iPool online system for IT users. This ensures casual, temporary and permanent employees are



Compliance with relevant Laws, Regulations, Internal Policies and Procedures

aware of legislative requirements. Reporting tools have been developed to enable Managers to monitor completion of mandatory training courses and completion of Individual Performance Appraisals in real time.

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 ensures the application of the Constitution. The Monitoring Officer is responsible for the in-house legal team which serves as an additional control to ensure that the Council operates within the constraints of the law and the team hold LEXCEL accreditation.

A number of arrangements are in place to deal with potential non-compliance and these include a Corporate Complaints Panel and Serious Case Reviews. These are chaired independently of the service for which the potential breach has been made to ensure that objective decisions can be taken.

A Disclosure and Barring Service (DBS) Panel is in place which reviews any positive DBS’s in relation to pre-employment checks to ensure Council wide robust and consistent decision making.

AGS Actions Completed in 2022/23

- Contract and project management procedures implemented for the regeneration programme being undertaken across the town.

Key Supporting Policies and Procedures

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|------------------------------------|---|
| Corporate Customer Feedback Policy | Corporate Customer Feedback Policy - 0819 - FINAL VERSION - V1.1 (blackpool.gov.uk) |
| Data Protection and GDPR | Blackpool Council data protection registration GDPR |



Financial Management

The Council has an appropriately qualified and experienced designated Chief Finance Officer who holds statutory financial responsibilities and a deputy has also been appointed. The Chief Finance Officer has arrangements in place for financial management, financial reporting and value for money which is assessed annually by the Council’s external auditors.

Financial Regulations are in place which are supported by a Scheme of Delegation to ensure that managers are aware of the level of expenditure they are able to authorise.

The Council sets a lawful annual budget and is part way through a six-year Medium Term Financial Sustainability Strategy which runs to the end of the 2026/27 financial year. The associated plan is updated on a triannual annual basis to enable early planning on the financial position to take place. A full review of this strategy was undertaken in 2022/23.

Monthly financial monitoring reports, starting from month 0, are reported to the Corporate Leadership Team with months 3,4,5,7,9,10 and year end going to the Executive and Tourism, Economy and Communities Scrutiny Committee and the Scrutiny Leadership Board.

The Council’s financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016).

The Council facilitates a Public Inspection of the Accounts and publishes details of all payment transactions over and above the minimum requirements of the Transparency Code.

External audit arrangements are in place and representatives are invited to attend Audit Committee to present the findings of their work and raise any concerns which they may have.

The Redmond Review undertook an independent review into the arrangements in place to support the transparency and quality of local authority financial reporting and external audit. A key recommendation was for clear system leadership to be established across the local audit system. A new regulator, the Audit Reporting and Governance Authority (ARGA), is to be established as the system leader for local audit within a new, simplified local audit framework with shadow arrangements to start at the Financial Reporting Council in 2023.

AGS Actions Completed in 2022/23

- Reviewed and updated the Corporate Scheme of Delegation.

Key Supporting Policies and Procedures

Statutory Chief Finance Officer (holding Section 151 responsibilities)

[Blackpool Council | Senior employees and officers](#)



Financial Management

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|---|--|
| Annual Budgets | Annual budgets (blackpool.gov.uk) |
| Budget and Policy Framework | Blackpool Council constitution Part 4c Budget and policy framework |
| Financial Procedure Rules | Blackpool Council constitution Part 4f - Financial procedure rules |
| Medium Term Financial Sustainability Strategy | Agenda for Executive on Monday, 5th December, 2022, 6.00 pm (blackpool.gov.uk) |
| Statutory Officer roles – Article 13 | Blackpool Council constitution Part 2 Articles |



Audit Arrangements

An Audit Committee is in place which is independent of the scrutiny and Executive functions. As a full committee of the Council it is able to discharge all the core functions of an Audit Committee outlined in the CIPFA Audit Committee: Practical Guidance for Local Authorities (2022), from which the Committee has adopted the model terms of reference. The Committee has assessed themselves against the CIPFA Position Statement and identified areas to consider in the future to continue to strengthen the Committee.

Over the past twelve months the Chair of the Audit Committee has continued to raise the profile of the Audit Committee and has presented a report to Council on the work of the Committee and has proactively requested Chief Officers and Head of Services to attend meetings to be challenged and held to account where controls issues have been identified. Two independent member positions have been co-opted onto the Committee to enhance its robustness and provide valuable experience and support to the Committee in its work.

Modular training is delivered as part of the Audit Training Academy prior to each Audit Committee meeting to ensure that members have the appropriate skills and knowledge to effectively discharge their duties.

The Council has an internal audit team who prepare an Annual Internal Audit Plan which is approved by the Corporate Leadership Team and the Audit Committee. This includes a balance of risk and compliance work. The audit opinion and assurance statement for each audit is reported quarterly to the Audit Committee.

In 2022/23 the Head of Audit and Risk provided an Annual Audit Opinion which will be presented to the Audit Committee in June 2023 which stated:

“The Head of Audit and Risk is satisfied that sufficient assurance work has been carried out to allow the provision of a reasonable conclusion on the adequacy and effectiveness of Blackpool Council’s internal control environment.

The opinion of the Head of Audit and Risk is that the overall control environment of the Council is adequate.

Strategically, financial sustainability is the greatest risk faced by the Council with the increasing demand for social care, various large scale regeneration projects and the financial position of some of the wholly owned companies. This risk is further impacted by the current economic climate across the UK and the public sector.

Where weaknesses have been identified through internal audit work the team has worked with management to agree appropriate remedial actions and a timescale for improvement. “

The Council’s internal audit arrangements conform to the governance requirements the Public Sector Internal Audit Standards. An external review of the Council’s compliance with the Public Sector Internal Audit Standards took place in 2021/22 which confirmed conformance with the standards. The recommendations made in the external assessment report have been incorporated into the Quality Assurance and Improvement Programme for the service.

Officers in the Audit and Risk Team have started to shadow the Head of Audit and Risk at Audit Committee meetings to gain experience and this will continue going forward. The Head of Audit and Risk also has

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Appendix 6(a)



Audit Arrangements

quarterly liaison meetings with external audit to discuss known and emerging issues being identified as a result of audit testing.

AGS Actions Completed in 2022/23

- Continued to improve the link between Audit Committee and the Scrutiny process.
- Identified opportunities to review good practice with other Audit Committees via the new forums established by the Chartered Institute of Internal Auditors / LGA.

Key Supporting Policies and Procedures

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| CIPFA Position Statement Compliance Report | Agenda for Audit Committee on Thursday, 24th November, 2022, 6.00 pm (blackpool.gov.uk) |
| Internal Audit Charter 2022/22 | Agenda for Audit Committee on Thursday, 3rd March, 2022, 6.00 pm (blackpool.gov.uk) |
| Internal Audit Plan 2022/23 | Agenda for Audit Committee on Thursday, 3rd March, 2022, 6.00 pm (blackpool.gov.uk) |
| Quality Assurance and Improvement Programme 2022/23 | Agenda for Audit Committee on Thursday, 16th June, 2022, 6.00 pm (blackpool.gov.uk) |
| Audit Committee Annual Report to Full Council | Agenda for Council on Wednesday, 22nd June, 2022, 6.00 pm (blackpool.gov.uk) |
| External Assessment of Internal Audit 2021/22 | Agenda for Audit Committee on Thursday, 30th September, 2021, 6.00 pm (blackpool.gov.uk) |



Risk Management

A Corporate Risk Management Group is in place to coordinate and promote risk management activity in line with the Council’s Risk Management Framework 2021-2025. It is supported by directorate and thematic risk management groups.

All directorates have nominated risk champions to promote best practice in their areas and ensure that service level risk registers are in place and that risk registers are developed for major projects and partnerships where appropriate.

Overarching responsibility for risk management lies with the Officer Corporate Leadership Team. Chief Officers are identified as owners of the risks identified in the Strategic Risk Register which reviewed by the Corporate Leadership Team and approved by the Audit Committee annually. The Audit Committee undertakes a programme of ‘deep dives’ into each key risk area with Chief Officers identified in the Strategic Risk Register being required to attend to explain how the risks are being managed and what further mitigating controls may be required.

Risk management is considered for all decisions made by the Council and these are evidenced in the dedicated section on the decision making template.

A Corporate Business Continuity Plan and Critical Activities List are in place and this is supported by service level business continuity plans.

A Health and Safety Team is in place which provide advice, support and guidance to managers across the Council regarding compliance with health and safety legislation. The team is responsible for issuing the Corporate Arrangements which all employees should adhere to.

AGS Actions Completed in 2022/23

- Reviewed the strategic risk register and the deep dive review process for 2022/23 to better group the risks and enable a better understanding of the actions being taken by the Council.

Key Supporting Policies and Procedures

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| Risk Management Framework 2021/25 | Appendix 8(a) - Agenda for Audit Committee on Thursday, 21st January, 2021, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register 2022/23 | Agenda for Audit Committee on Thursday, 3rd March, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive - People | Agenda for Audit Committee on Thursday, 28th April, 2022, 6.00 pm (blackpool.gov.uk) |

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Risk Management

| | |
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| Strategic Risk Register Deep Dive - Reputation | Agenda for Audit Committee on Thursday, 16th June, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive - Security | Agenda for Audit Committee on Thursday, 21st July, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive - Strategy | Agenda for Audit Committee on Thursday, 15th September, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive – Legal | Agenda for Audit Committee on Thursday, 20th October, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive – Commercial | Agenda for Audit Committee on Thursday, 24th November, 2022, 6.00 pm (blackpool.gov.uk) |
| Strategic Risk Register Deep Dive – Finance | Agenda for Audit Committee on Thursday, 19th January, 2023, 6.00 pm (blackpool.gov.uk) |
| Business Continuity Framework 2021/25 | Appendix 9(a) - Agenda for Audit Committee on Thursday, 21st January, 2021, 6.00 pm (blackpool.gov.uk) |



Counter Fraud and Anti-Corruption Arrangements

The Council has developed counter fraud and anti-corruption arrangements in line with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. A Fraud Prevention Charter has been developed and approved by the Officer Corporate Leadership Team and the Audit Committee. Any suspected instance of fraud or corruption should be reported to the Head of Audit and Risk so that an appropriate investigation into the matter can be undertaken.

A dedicated Corporate Fraud Team is in place which deals with a range of corporate fraud issues and proactive work has commenced on high risk areas with single person discount being a focus. The team have continued to undertake post assurance work on the various business lockdown, restart grants and Omicron grants which have been made available by government as a result of the pandemic.

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. An Anti-Money Laundering Policy is in place and this is supported by an iPool training course for employees to complete.

The Council participates in the National Fraud Initiative and progress against this and outcomes, are reported to Audit Committee on quarterly basis.

A corporate group is in place to review the Council's use of covert surveillance and to ensure compliance with the Regulatory of Investigatory Powers Act (2000).

AGS Actions Completed in 2022/23

- Implemented a communications strategy for raising fraud awareness and ensuring that employees and the public are aware of how to report fraud to the Council. This will continue each year to further strengthen messaging to act as a deterrent to reduce fraud against the Council.

Key Supporting Policies and Procedures

| | |
|----------------------------------|--|
| Fraud Prevention Charter 2022/23 | Agenda for Audit Committee on Thursday, 3rd March, 2022, 6.00 pm (blackpool.gov.uk) |
| Anti-Money Laundering Policy | Appendix 5(a) - Agenda for Audit Committee on Thursday, 8th November, 2018, 6.00 pm (blackpool.gov.uk) |
| Covert Surveillance Policy | Appendix 6(a) - Agenda for Audit Committee on Wednesday, 27th November, 2019, 6.00 pm (blackpool.gov.uk) |



Scrutiny Arrangements

Three Scrutiny Committees are in place namely a Children and Young People’s Scrutiny Committee, Tourism, Economy and Communities Scrutiny Committee and an Adults Social Care and Health Scrutiny Committee.

A Scrutiny Leadership Board chaired by an Independent Member of the Council and also consisting of the Chairs and Vice Chairs of the three committees and the Chair of the Audit Committee coordinates the work of the committees and manages the overall scrutiny work programme. In May 2021, the Council agreed that the Scrutiny Leadership Board would scrutinise the wholly owned companies of the Council, following liaison with the proposed Shareholder Committee of the Executive and would also be responsible for monitoring and commenting on the Council’s, medium term financial strategy, financial outturn reports and any other overarching financial strategies. There are also regular meetings with senior Executive Members.

The scrutiny committees help empower elected members and provide them with the opportunity to contribute to policy making, hold in-depth reviews and challenge and hold decision makers to account. The committees meet on a regular basis and the minutes of the meetings and supporting documentation are published and the Chair of the Scrutiny Leadership Board reports to Council normally twice a year on scrutiny activities that have taken place. The Scrutiny Leadership Board undertakes an informal self-assessment exercise annually to identify any development areas.

AGS Actions Completed in 2022/23

- N/a

Key Supporting Policies and Procedures

Scrutiny Committee Agendas and Minutes

[Committee structure \(blackpool.gov.uk\)](https://www.blackpool.gov.uk/scrutiny/committees)



Learning and Development

An Induction and Probation process is in place for all new employees in the Council. Following successful completion of the probation process employees will then receive a mandatory Individual Performance Appraisal (IPA). The IPA incorporates an annual and interim review, held at an appropriate time in a private, comfortable space and can be considered as the setting of a 'roadmap' for an employee for the coming twelve months.

A wide range of training is available corporately which is informed from Corporate Leadership team, Senior Leadership team, various workforce groups and the development needs identified in the Individual Performance Appraisals. The Council is committed to leadership development and various courses are available to continue to develop skills and knowledge. An Emerging Leaders programme has been developed and work is ongoing in relation to succession planning for Senior Leadership Team roles. The attainment of professional qualifications in relevant disciplines is encouraged and the Council is committed to funding studies where appropriate utilising the Apprenticeship Levy.

Many professionals across the Council maintain continuing professional development records to ensure they continue to meet the requirements of their professional bodies.

A Workforce Strategy is in place but was due to be refreshed last year. As a result of the implementation of a new HR and Payroll system this has been delayed but work will take place during 2023 supported by the employee survey which was completed in 2021/22.

The Council encourages and promotes Apprenticeships to existing employees and through recruitment. The costs of training are funded through the Council's Apprenticeship Levy.

Project Search, the job scheme for young people with learning disabilities also ran where each of the students learn personal and job skills for a two month period before embarking on work placements to find a suitable job for them.

An induction programme is in place for all elected members as well as a three year development plan to provide for ongoing development skills development throughout members' term of office. Elected members can have a personal development plan to help identify and assist with individual training needs. A cross-party Member Training Panel oversees the provision of member training and shapes future programmes.

The Council takes the Health and Wellbeing of employees very seriously and there is a comprehensive suite of support available in addition to an in house Occupational Health Service. This is promoted to employees via regular newsletters and a 'My Wellbeing' section on the Council's Hub. An internal audit of this area in 2021/22 provided positive assurance about the work undertaken in this area.



Learning and Development

AGS Actions Completed in 2022/23

- N/a

Key Supporting Policies and Procedures

| | |
|--|---|
| Apprenticeships Levy Return | Annual apprenticeships return (blackpool.gov.uk) |
| Workforce Strategy | Appendix 3(a) - Agenda for Executive on Monday, 18th January, 2016, 6.00 pm (blackpool.gov.uk) |
| Supporting The Workforce Scrutiny Report | Appendix 10(a) - Agenda for Resilient Communities and Children's Scrutiny Committee on Thursday, 7th February, 2019, 6.00 pm (blackpool.gov.uk) |
| Project Search | Project Search (blackpool.gov.uk) |



Partnerships and Joint Working

The Council is involved in a number of key projects with partner organisations in order to transform the way in which services are delivered. Examples include Better Start which focuses on early intervention in order to build resilience in the community. Boards with representation from partner organisations are also in place for key risks faced by the Council to introduce an element of independence and challenge. Transformation has also been achieved through the Opportunity Area funding stream which seeks to improve educational attainment.

The Council is invited to attend the Voluntary, Community, Faith and Social Enterprise (VCFSE) Leaders meetings and aims to work alongside and in partnership with third sector colleagues. This includes work around community engagement, community development and working together to ensure a more resilient Blackpool. This includes involving third sector representatives on key boards such as the town deal and working together on projects including a Lancashire wide accord developed in partnership with local authorities, NHS and the third sector, aiming to streamline communication pathways and join working together. The Council's relationships with the third / voluntary sector have been further strengthened due to effectively working together in response to the pandemic starting in March 2020 and forging new ways of working together which can continue to be developed.

Arrangements are in place for the provision of Shared Services with Fylde Borough Council in a number of areas, the most significant being the Revenues and Benefits Service, Health and Safety and Human Resources. Payroll services are also provided to Chorley and South Ribble Councils. Shared arrangements are also in place with Blackpool Teaching Hospital NHS Foundation Trust in relation to emergency planning. The Council is also working jointly with other Fylde Coast authorities on the development of an enterprise zone and other economic prosperity opportunities to improve the local economy.

The Council wholly owns seven companies which are currently operating (six companies limited by shares and one limited by guarantee). Each company has an adopted governance framework based on good practice codes in the corporate sector and the recently issued national Local Partnership company guidance. The Boards generally comprise both councillor appointed non-executive directors and independent non-executive directors (usually in the majority) recruited from the business sector. There is a group approach to corporate governance with the Company Secretary, Data Protection Officer and Head of Audit and Risk from the Council appointed across the group which helps provide assurance to the Boards of Directors and the Council in its role as shareholder.

A Shareholder Committee of the Executive (chaired by the Deputy Leader of the Council and involving the Leader of the Council and the Deputy Leader of the Conservative group) with decision making powers and more focused accountability was established in 2021. There is a governance framework in place for all wholly owned companies which has been approved by the Shareholder and all company boards.



Partnerships and Joint Working

- Wholly owned company Boards adopted the Governance Framework.

Key Supporting Policies and Procedures

| | |
|--|---|
| Partnership Governance Framework | Agenda for Council on Wednesday, 24th November, 2021, 6.00 pm (blackpool.gov.uk) |
| Establishment of a Shareholder Committee | Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk) |
| Company Governance Framework | Agenda for Shareholder Committee on Friday, 18th March, 2022, 10.00 am (blackpool.gov.uk) |
| Audit Recommendation Tracker | Agenda for Shareholder Committee on Friday, 18th March, 2022, 10.00 am (blackpool.gov.uk) |

Annual 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 stages included in the review process and the key findings from each are summarised below.

Good Governance Group

A Good Governance Group was established in October 2016 and has led on the review of effectiveness and the production of the Annual Governance Statement to ensure that governance issues identified have subsequently been addressed. This group is chaired by the Director of Governance and Partnerships and attended by the Head of Audit and Risk, Head of Democratic Governance, Transformation Manager, Head of Legal Services, Head of ICT, Head of Accountancy, Head of Information Governance and the Head of Organisation and Workforce Development.

Elected Member Workshop

A workshop with elected members who have a key role in governance took place on the 27th April 2023.

Corporate Leadership Team Workshop

A workshop with Chief Officers at the Corporate Leadership Team on the 23rd May 2023.

Mid-Term Review

The mid-term review will be presented to the January 2024 Audit Committee so progress against identified actions can be reported.

Assurance Statement

The results of the effectiveness of the governance framework have been considered by the Corporate Leadership Team and Audit Committee who have determined that the arrangements are fit for purpose in accordance with the governance framework.

Governance Issues

Actions have been identified as part of the 2022/23 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

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Appendix 6(a)

significant but have been included to aid openness and transparency. The action plan sets out those which we intend to complete before the mid-term review in January and those which are likely to complete afterwards.

| Issue | Actions | Responsible Officer (s) | Target Date |
|---|---|--|------------------------|
| Code of Conduct and Behaviours | Train new and returning members on the Code of Conduct to ensure that they fully understand their role and also how to manage relationships with officers. | Director of Governance and Partnerships | Before mid-term review |
| | Refresh of Politically Restricted posts. | Chief Executive | Before mid-term review |
| Ethical and Responsible Governance | Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the Shareholder and the decision making process. | Director of Governance and Partnerships | Before mid-term review |
| | Implementation of changes resulting from the statutory review of Equality Objectives. | Director of Resources | Before mid-term review |
| Commitment to Openness, Communication and Consultation | Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources. | Director of Resources | After mid-term review |
| | Continue to develop the Council's approach to communication to ensure the balance between corporate communications and service level communications is effectively integrated. | Director of Communications and Regeneration | After mid-term review |
| Developing, Communicating and Translating the Vision | Review the Council Plan and consider including in this the role which the Council plays is supporting key partnerships across the town and how it aligns with the work of the wholly owned companies. | Director of Strategy (Assistant Chief Executive) | After mid-term review |
| Performance Management | Prepare for the potential CQC inspection of adult social care in 2023. | Director of Adult Services | Before mid-term review |

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| Issue | Actions | Responsible Officer (s) | Target Date |
|---|---|---|------------------------|
| Roles and Responsibilities | Provide elected members with details on who to approach and how to approach officers in a structured way via Member Services. | Director of Governance and Partnerships | Before mid-term review |
| Decision Making | Continue with review of Council Constitution (in conjunction with senior elected members in key governance positions) and ensure that all elected members are aware of how decisions are made and the democratic processes in place | Director of Governance and Partnerships | Before mid-term review |
| Compliance with laws, regulations and internal procedures. | Complete work on compliance regarding mandatory training to link mandatory workbooks to the recruitment process for non IT users. | Chief Executive | After mid-term review |
| | Explore the potential of introducing enhanced DBS checks for elected members. | Director of Governance and Partnerships | Before mid-term review |
| | Ensure that legal services continue to horizon scan for new legislation and communicate any changes to enable officer's adequate time to plan. | Director of Governance and Partnerships | Before mid-term review |
| | Once the new Procurement Legislation (post EU Exit procurement reform) is embedded in law there will be a review of procurement practice, process and governance to ensure that we control compliance. | Director of Resources | After mid-term review |
| Financial Management | Ensure that reviews of the Medium Term Financial Sustainability Strategy contains appropriate version control to ensure that the most up to date version is being considered. | Director of Resources | Before mid-term review |

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| Issue | Actions | Responsible Officer (s) | Target Date |
|---------------------------|--|---|------------------------|
| Audit Arrangements | Appoint to the vacant independent member position on the Audit Committee to increase access to appropriate skills and knowledge. | Director of Governance and Partnerships | Before mid-term review |
| | Continue to roll out access to the Audit Training Academy particularly for any new members to the Committee and ensure that all elected members have an induction to the role of the Audit Committee. | Director of Governance and Partnerships | Before mid-term review |
| Risk Management | Further develop the Strategic Risk Register for 2023/24 to include target risk scores and a risk appetite. | Director of Resources | Before mid-term review |
| | The Audit Committee to continue with their deep dives on strategic risks whilst also considering the newly introduced risk appetites to gain assurance on the appropriateness of risk mitigation activity. | Director of Resources | Before mid-term review |
| | Review the Council's Corporate Business Continuity Plan to ensure that the critical activities list remains up to date. | Director of Resources | Before mid-term review |
| | Carry out a cyber-attack business continuity exercise to raise awareness of the impact such an attack could have on the delivery of Council services. | Director of Resources | Before mid-term review |
| | Implement a new claims handling system to increase efficiency and improve reporting regarding civil claims. | Director of Resources | Before mid-term review |
| Counter Fraud | Review the Council's Surveillance Policy to ensure that this continues to reflect good practice. | Director Governance and Partnerships | Before mid-term review |

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Appendix 6(a)

| Issue | Actions | Responsible Officer (s) | Target Date |
|--------------------------------------|---|---|------------------------|
| Scrutiny Arrangements | Consider and implement recommendations from the follow-up review of scrutiny arrangements undertaken by North West Employers | Director of Governance and Partnerships | After mid-term review |
| Learning and Development | Complete SLT succession planning work and draft an action plan to address gaps. | Chief Executive | Before mid-term review |
| | Refresh the Workforce Strategy. | Chief Executive | After mid-term review |
| | Review of member induction programme ahead of the local elections in 2023. | Director of Governance and Partnerships | Before mid-term review |
| Partnership and Joint Working | Review the register of existing partnerships and the Partnership Governance Framework so that governance arrangements can then be assessed. | Director of Governance and Partnerships | Before mid-term review |
| | Once a partnership register is in place seek ways in which to strengthen how the Council works with partners in order to positively impact the community. | Director of Governance and Partnerships | After mid-term review |
| | Develop the Strategic Risk Register for the company group and reporting that into Audit Committee. | Director of Governance and Partnerships | Before mid-term review |

Conclusion

We propose over the coming year to take steps to address the significant governance issues identified to further enhance governance arrangements. We are satisfied that these steps will address the need for improvements

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Appendix 6(a)

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)
