

**Report to:**

**AUDIT COMMITTEE**

**Relevant Officer:**

Mark Towers - Director of Governance and Partnerships

**Date of Meeting:**

18 January 2024

## **ANNUAL GOVERNANCE STATEMENT 2022-23 HALF-YEAR REVIEW**

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

1.1 To provide an update on progress made on the actions identified in the Annual Governance Statement 2022-2023.

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

2.1 Audit Committee is asked to note the Annual Governance Statement half-year review for 2022/2023.

### **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:

N/a

### **4.0 Council priority:**

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

### **5.0 Background Information**

5.1 Blackpool Council is responsible for ensuring that its business is conducted in

accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

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

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

The 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 4(a) – Annual Governance Statement 2022-23 Half-Year Review

**6.0 Financial considerations:**

6.1 Each of the actions identified in the Annual Governance Statement will be delivered

within the constraints of the agreed budget for 2022/2023.

**7.0 Legal considerations:**

7.1 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.

**8.0 Risk management considerations:**

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

**9.0 Equalities considerations and the impact of this decision for our children and young people:**

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

**10.0 Sustainability, climate change and environmental considerations:**

10.1 None arising from this report..

**11.0 Internal/ External Consultation undertaken:**

11.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group is 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

**12.0 Background papers:**

12.1 None.

**Appendix 4(a) - Annual Governance Statement 2022-23 Half-Year Review**

Issue	Actions	Responsible Officer (s)	Target Date	Progress
<p><b>Code of Conduct and Behaviours</b></p>	<p>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.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>Two Code of Conduct sessions have been held with a further mop-up session planned in January.</p>
	<p>Refresh of Politically Restricted posts.</p>	<p>Chief Executive</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>The specified politically restricted posts are informed by legislation and agreed by Council.</p> <p>A desk top exercise of sensitive politically restricted posts has been undertaken and the draft list will be consulted on with directors and those identified early in 2024.</p> <p>If approved there will be some system work required to implement the changes.</p>
<p><b>Ethical and Responsible Governance</b></p>	<p>Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the Shareholder and the decision making process.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>A draft Ethical Statement has been prepared and this will be taken to the Shareholder Committee for</p>

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				<p>consideration early in 2024.</p> <p><b><u>In Progress</u></b></p> <p>The implementation approach for the socio-economic equality duty was approved by the Corporate Leadership Team in November 2023 as was the proposal to introduce a structure for staff equality forums.</p> <p>Draft role descriptions for Elected Member Equality Champions are currently being consulted on with relevant elected members.</p>
<p><b>Commitment to Openness, Communication and Consultation</b></p>	<p>Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources.</p>	<p>Director of Resources</p>	<p>After mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>Channel Shift opportunities in Revenues, Benefits and Customer First continue to be developed.</p> <p>The Channel Shift group also continues to support services, who are looking at redesigning processes and incorporating new digital ways of working. These developments are dependent on services having available staff resources and funding</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				to invest in digital projects.
	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	<p><b><u>Implemented</u></b></p> <p>Links are in place between the Corporate Communication Team and service leads to ensure that a consistent message is delivered to residents.</p>
<p><b>Developing, Communicating and Translating the Vision</b></p>	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	<p><b><u>In Progress</u></b></p> <p>The Council Plan is currently being reviewed, with a target date for approval of February 21st 2024.</p> <p>Wholly Owned Companies have been involved in the process, and have contributed by describing their role in delivering our corporate priorities and key projects which contribute to the themes outlined in the document.</p> <p>Supporting key partnerships is a way of extending the total resource working towards our goals and this has been considered as part of work building organizational capacity and resilience outlined in the document.</p>

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<b>Performance Management</b>	Prepare for the potential CQC inspection of adult social care.	Director of Adult Services	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The service is taking a methodical and planned approach to keeping abreast of updates from CQC on the structure and approach of the new inspection/ assurance visits and building an evidence library in preparation.</p> <p>A peer review took place earlier this year and gave helpful feedback on areas where evidence needs to be improved.</p> <p>To support the service in the preparation, planning and delivery a graduate strategy officer has been appointed corporately to support the preparation process, with work underway to ensure the inspection process is well-organised and to minimise the impact on staff time across the Adult Services directorate wherever possible.</p>
<b>Roles and Responsibilities</b>	Provide elected members with details on who to approach and how to approach officers in a structured	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>Training has been provided for all</p>



Issue	Actions	Responsible Officer (s)	Target Date	Progress
	way via Member Services.			members on the member enquiry system. A series of directorate briefings with key Council officers has started (following the initial induction phase) – those taken place so far have included the Community and Environmental Services Directorate and project briefings with the Communication and Regeneration Directorate.
<b>Decision Making</b>	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	<b><u>Implemented</u></b>  Following the revision to the Constitution in Autumn 2022 by Council, a review of the Executive Member reporting procedure to Council took place in conjunction with senior elected members and the subsequent constitutional changes were approved by Council in June 2023.
<b>Compliance with laws, regulations and internal procedures.</b>	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	<b><u>In Progress</u></b>  The software providers have now started to progress this work package and testing is underway.

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				To date the testing is going well and the aim is to have the process fully implemented by the end of the financial year.
	Explore the potential of introducing enhanced DBS checks for elected members.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>Enhanced DBS checks have been undertaken for new members with checks for returning members to be processed.</p>
	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	<p><b><u>Implemented</u></b></p> <p>There is a weekly review in legal of an on-line legalisation tool with findings reported to the wider Legal Services and clients as appropriate. The Head of Legal Service and the Legal Practice Manager are also subscribed to a number of providers who provide updates and then this is cascaded to the legal and wider team, these subscriptions include but not limited to Thomson Reuters, HM Courts and Tribunals Service, Solicitors Regulation Authority, Legal Futures, DWF, Weightmans and Anthony Collins.</p>

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	<p>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.</p>	<p>Director of Resources</p>	<p>After mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>Legislation has just received Royal Assent with an anticipated implementation date of 1st October 2024. A period of liaison with Central Government Departments is scheduled to gain greater understanding of the proposed roll-out and training material that will be made available.</p> <p>Once this is understood a plan to roll-out training and update guidance and control documents will commence.</p> <p>A review of internal documents that will require amending / re-writing has commenced.</p>
<p><b>Financial Management</b></p>	<p>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.</p>	<p>Director of Resources</p>	<p>Before mid-term review</p>	<p><b><u>Implemented</u></b></p> <p>Version control of the Medium Term Financial Plan has been implemented and is referred to within the Financial Performance Monitoring reported to CLT and Executive. The MTFSS covering the period 2021/22 – 2026/26 was published in November</p>

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				2021 and a new strategy will replace this in Summer 2026.
<b>Audit Arrangements</b>	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	<b><u>In Progress</u></b> A recruitment exercise will be carried out early 2024 to fill this vacancy.
	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	<b><u>Implemented</u></b> An induction session to the Audit Committee was held for all newly elected members on 7th June 2023.  The Audit Academy Training programme is in place for the current Municipal Year and courses are being delivered although attendance at some sessions has been poor resulting in the need to rearrange some sessions.
<b>Risk Management</b>	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	<b><u>Implemented</u></b> Target scores and risk appetite are now included in the Strategic Risk Register.
	The Audit Committee to continue with their deep dives on strategic risks whilst also considering the	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The deep dive programme for

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	newly introduced risk appetites to gain assurance on the appropriateness of risk mitigation activity.			individual strategic risks has now been embedded into the work of the Audit Committee.
	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	<b><u>Implemented</u></b> The Corporate Business Continuity Plan and Critical Activities list has been reviewed and approved by the Corporate Leadership Team.
	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	<b><u>Implemented</u></b> The LGA have now agreed to lead the exercise targeting CLT Members early in 2024. Weekly planning meetings with the LGA lead are being scheduled with invites going to Audit and Risk, the Emergency Planning Service and ICT Services.
	Implement a new claims handling system to increase efficiency and improve reporting regarding civil claims.	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The new claims handling system has now been implemented and rolled out to relevant services.
<b>Counter Fraud</b>	Review the Council's Surveillance	Director	Before mid-	<b><u>Implemented</u></b>

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	Policy to ensure that this continues to reflect good practice.	Governance and Partnerships	term review	The Council's Surveillance Policy has been reviewed and approved by the Audit Committee at the November 2023 meeting.
<b>Scrutiny Arrangements</b>	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	<p><b><u>In Progress</u></b></p> <p>A report and presentation on the North West Employers review was submitted to the Scrutiny Leadership Board on 12 September 2023, along with an action plan for implementing the recommendations. A number of recommendations had already been implemented at that point with further work progressing e.g. project group established to look at public engagement with scrutiny and lived experience input.</p>
<b>Learning and Development</b>	Complete SLT succession planning work and draft an action plan to address gaps.	Chief Executive	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>Work has been undertaken to identify potential successors for directors and heads of service who are ready now or could be ready in the future. This has also involved consideration of what the Council would do for each senior</p>

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				<p>role should any leave e.g. restructure, advertise internally, advertise externally or something else. There are still some development plans to be put in place to plug gaps/improve senior succession planning and this exercise will be concluded early 2024.</p> <p>In addition a new Emerging Leaders programme has been developed which includes potential future members of the Senior Leadership Team and the first cohort is underway. Also CMI levels 3 and 5 are running as training for supervisors and managers.</p>
	Refresh the Workforce Strategy.	Chief Executive	After mid-term review	<p><b><u>In Progress</u></b></p> <p>There is still work to do in order to deliver this action however time has been identified to start to plan requirements and take this action forward.</p>
	Review of member induction programme ahead of the local elections in 2023.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The Member Induction Programme was reviewed with the Member Training Panel and is being refined</p>

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				with any feedback from induction events as they occur. The initial stage covered the Council, committee and constituent role and a range of introductory sessions. The second phase which started from September includes directorate briefings, 'softer' skills (e.g. public speaking) as well as more focused specific subject training.
<b>Partnership and Joint Working</b>	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	<p><b><u>In Progress</u></b></p> <p>A draft partnerships register is now in place which focuses on strategic partnerships. This is currently being finalised and the Partnership Framework is being reviewed to provide a clear definition of what is considered a key partnerships and should be included on the register. Once this work is completed, changes to the Partnership Framework will be brought back to Audit Committee for consideration.</p>
	Once a partnership register is in place seek ways in which to strengthen how the Council works	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b>



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	with partners in order to positively impact the community.			This will follow on from the implementation of the above action which will ensure that a more consistent approach to governance is implemented across strategic partnerships.
	Develop the Strategic Risk Register for the company group and reporting that into Audit Committee.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The wholly owned companies Strategic Risk Register is now in place and will be considered by the Shareholder Committee in January 2024.</p>