Annual Governance Statement

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, used economically, efficiently 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 also responsible for ensuring that there is a sound system of governance which includes arrangements for the management of risk.

To this effect, the Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government.

This statement explains how the Council has complied with the code and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement of internal control.

Purpose of the Governance Framework

The Governance Framework comprises the systems and processes and culture and values for the direction and control of the Council and its activities, though which it accounts to, engages with and leads the community. Our governance framework enables us to monitor the achievement of our strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable (not absolute) assurances of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives. Through it we evaluate the likelihood of those risks being realised and the impact, should they be realised, to enable us to manage them efficiently, effectively and economically.

The Governance Framework has been in place at the Council for the year ended March 2010 and up to the date of approval of the Statement of Accounts.

The Governance Environment

Purpose and Vision

A clear statement of the Council's purpose, vision and priorities for the next three years is set out in the Council Plan 2010/13. For each priority there are clear outcomes for residents and service users, together with identified actions that will deliver the vision. These are translated into more specific aims and objectives through the Council's Improvement Plan and each department's service business plan. Progress against the Council Plan's targets and actions are monitored monthly at Corporate Management Team, Cabinet and the Performance Management Board. In addition key projects are managed through the Project Management Board and the Transformational project Board.

The Council's vision, priorities and strategic key deliverables are developed through the production of the Council Plan Part One report, which is reported to Cabinet, Performance Management Board, Scrutiny and Full Council in September each year. This report brings together the national, regional and local agenda, in terms of policy, performance and customer feedback, and sets out the recommended priorities and strategic key deliverables for the year ahead, so that they provide a strategic framework for setting the Council's budget.

Partnership Working

The Council is committed to improving the effectiveness of partnership working. Partnership working is one of the Council's four values. The Council strongly believes that in order to meet the aspirations of its residents, it is critical that the three tiers of local government and other public, private and voluntary sector organisations work together on shared objectives.

The Council has established a local strategic partnership, the Bromsgrove Partnership. The Bromsgrove Partnership has a Board, which is chaired by the Leader of the Council and is made up of representatives from the three tiers of local government, the voluntary sector, commercial sector and main public agencies e.g. Police, health etc. The Bromsgrove Partnership has a Governance Framework and a Performance Management Framework.

The key document produced by the Bromsgrove Partnership is its Sustainable Community Strategy, which is in effect, the 10 year vision for the District and business plan for delivering the Vision. Progress against the Strategy is reported to the Bromsgrove Partnership Board bi-monthly. An Annual Report is also produced. The Strategy and the Annual Report are examined by Members at the Performance Management Board each year and approved by Full Council each November. The Strategy is updated every year and fundamentally reviewed every three years.

The fundamental review every three years will include the production of a "locality evaluation", which is also considered by the Performance Management Board and provides the evidence for the selection of the Strategy's priorities. The priorities are also determined by reference to the County wide Local Area Agreement, a contract for improved quality of life outcomes between central government and the Worcestershire Partnership. The Leader of the Council (and

Chair of the Bromsgrove Partnership) and Chief Executive represent the Bromsgrove Partnership on the Worcestershire Partnership. The Strategy is currently subject to a fundamental review.

The Bromsgrove Partnership also has a formal arrangement (Compact) with the voluntary sector, which contains a set of protocols to govern the interaction of the Council with the voluntary sector. The District Council has a small service level agreement with the voluntary sector infrastructure organisation, Bromsgrove and Redditch Network (BARN) to support the Compact and enable BARN to attend Bromsgrove Partnership Board meetings.

Delivery Partnerships

The Bromsgrove Partnership Board interfaces with 15 theme groups and sub-groups. These are the delivery arms of the Bromsgrove Partnership and include very established theme groups like the Crime and Reduction Disorder Partnership, through to relatively new groups like the Community Transport Sub-Group. The Theme Groups have been established for approximately four years and as per the Bromsgrove Partnership Performance Management Framework, report their performance to the Bromsgrove Partnership Board bi-monthly.

As part of the fundamental review of the Sustainable Community Strategy, the District Council, which supports the Bromsgrove Partnership through the employment of a dedicated officer, is carrying out a review of the Theme Groups and Sub-Theme Groups with the aim of improving their governance.

Service Level Agreements

The Council and its partners make use of service level agreements (SLAs) to deliver specific aspects of each Theme Group's work, when it is multi-agency and involves paying for a service. For example, the Council operates SLAs for the Artrix, community transport and the Compact work with BARN. In addition there are SLAs in place for services delivered by Bromsgrove District Council to Redditch Borough Council. These SLAs are subject to consideration by the Council's S151 officer and Monitoring Officer.

The Member's Performance Management Board considers the larger SLAs and progress against them, for example the Artrix SLA.

Effective Service Delivery

The Council operates a clear annual business cycle, which was agreed by Cabinet. The Council also has a clear performance management framework, which is linked to the business cycle. The Council also has a performance management strategy, which brings both of these together. The annual business cycle ensures that a strategic framework is set each year that drives the budget round, production of the Council Plan, production of service business plans, team action plans and individual personal development reviews (appraisals). The

Council reports progress against the Council Plan each month and also produces and publishes an Annual Report by the 30 June each year. This is also subsequently published in a more user friendly format for residents, either in the Council's magazine "Together Bromsgrove" or in the local press.

Councillors usually receive integrated financial and performance information formally i.e. at Cabinet and Performance Management Board, approximately 1 month after the month end. This time lag is to allow the collection of information and for managers to manage, so in the first instance the performance information is considered at each departmental management team, then at the Corporate Management Team. Each Cabinet portfolio holder also has a monthly meeting with their relevant Head of Service / Director to discuss performance, service development and financial management issues. The quality of the data produced and the quality of documents like service business plans are reviewed by the Corporate Communications, Policy and Performance Team. This team is also responsible for the delivery of a Data Quality Strategy, which ensures the information reported to Councillors is accurate and reliable for decision making purposes.

The basket of performance indicators and the actions reported on to Councillors are reviewed annually through the production of the Council Plan and the Improvement Plan, which flows from the Council Plan. These reflect the County Local Area Agreement. The Council operates a very simple performance management system using Excel. A formal review of the system will be undertaken during the next two years, as set out in the Performance Management Strategy.

Value for Money

The Council has a Value for Money Strategy which is due to be revised during 2010/11. The Council actively strives for ways to improve it's service delivery to achieve better Value for Money for its customers.

The programme of transformation and shared services demonstrates that the Council is aiming to provide quality services at best cost. The single management team are developing a 3 year plan to transform the majority of services across the Council and to ensure that Value for Money is delivered in services provided.

Clarity of Roles, Responsibilities and Required Behaviours

The Council's Constitution sets out the roles and responsibilities of Councillors, and the procedural rules for Full Council, Cabinet and the other committees operated by the Council. Working groups have clear terms of reference, for example scrutiny task groups. Councillors' roles and responsibilities are defined in job descriptions. A clear scheme of Councillor/officer delegation exists to provide clarity on the powers entrusted to those appointed to make decisions on behalf of the Council.

The behaviour of Councillors is regulated by the Member Code of Conduct and is supported by a number of protocols. The Standards Committee ensures standards of conduct are maintained. It monitors the effectiveness of the implementation of the Code of Conduct and makes recommendations in relation to any breach of the Code. The Council makes an annual return to the Standards for England and were identified within the Standards for England Annual Review 2008/9 as having made demonstrable improvements to its approach to Standards and Ethics.

The roles and responsibilities of Councillors are underpinned by an extensive Member Development Programme.

Employee behaviour is also subject to a range of specific policies, including a Code of Conduct, Hospitality Policy, Capability Procedure, Retirement Policy, Sickness Policy etc.

Financial and Risk Management

The Executive Director of Finance and Corporate Resources is designated the responsible officer for the administration of the Council's financial affairs under S151 of the Local Government Act 1972. This includes ensuring the lawfulness and financial prudence of decision making; providing advice, particularly on financial impropriety, publicity and budget issues, giving financial information; and acting as the Council money laundering reporting officer.

The Council operates a strong financial management framework. Financial regulations are supported by effective financial procedures, underpinned by the work of internal and external audit. Financial regulations and contract procedure rules are regularly reviewed to ensure they remain effective in supporting sound internal control.

The Council has a robust risk management framework which has been recognised by the Audit Commission.

The Council operates a corporate risk register, departmental risk registers and risk registers for each key project linked to the delivery of the objectives of the Council and Department. Each register has an action plan that flows from the risks identified, designed to mitigate risk through improved management practices. The Corporate Risk Register is reported to Councillors on the Audit Board, which also receives summary information on each departmental risk register. This work is also underpinned by the Risk Management Steering Group chaired by the Executive Director of Finance and Corporate Resources . Each departmental risk register, cross references to the key deliverables set out in the departmental business plans. Every Cabinet decision includes a report that sets out the associated risks, cross referenced to the appropriate risk register.

The Council has a project management methodology and a Programme Board, chaired by the Chief Executive. This group has monitored the delivery of key projects against the planned timescale and outcome and has ensured closure and lessons learned reports have been included in the project completion documents.

Legal and Regulatory Compliance

Compliance with established policies, procedures, laws and regulations is ensured by the requirements of the constitution, to give the Chief Executive, the Monitoring Officer (Head of Equalities, Legal and Democratic Services) and the S151 officer (Executive Director of Finance and Resources), the opportunity to comment on every report submitted to a decision making body. The Monitoring Officer has a legal duty to ensure the lawfulness and fairness of decision making.

Member and Officer Development

The Council operates a Member Development Programme, overseen by a cross party Member Development Steering Group. The Programme is extensive and includes: induction, chairmanship training, performance training, portfolio holder training and mock Full Councils. The Council has been awarded primary status of the member development charter in recognition of this

The Council is Investors in People accredited and is committed to developing managers and staff. The Council operates a Modern Managers Framework, which sets out the standards required of managers. The framework is supported by a comprehensive training programme. All staff has the opportunity to attend training courses, provided through the staff training directory. Individual's training needs are discussed formally at the annual Personal Development Review and at the 6 month review. Each member of staff also receives a monthly one to one with their manager, at which training is also discussed.

Community Engagement and Equalities

The Council operates a Consultation Policy, which is updated annually and reported to Cabinet. The Consultation Policy includes five levels of consultation, ranging from: A – Information Gathering, to E – Participation/Joint Decision Making. Each departmental service business plan includes a community engagement plan. Corporately, the Council works with its partners, in particular the Police on the Partners and Communities Together (PACT) community meetings. The Council ensures its ward councillors and a senior officer from the Council attends these meetings. The Council also operates two pilot Neighbourhood Area Committees (NACs). The Council also has a specific Statement of Community Involvement, which guides engagement relating to the production of planning documents.

One of the Council's four values is Equalities. The Council has an Inclusive Equalities Scheme, operates an Equalities and Diversity Forum and Disabled

Users' Forum, holds an annual equalities conference and has a range of equalities outcomes in the Improvement Plan and service business plans, designed to improve service delivery to our customers.

The Council has recently achieved Level 3 of the Local Government Equality Standard through the validation of our self assessment by the Diversity Peer Challenge team. This means that the Council will migrate to Level 2 of the Equality Framework for Local Government (out of 3) which is defined as "Achieving".

Reviewing the Governance Framework's Effectiveness

The Council operates an extensive improvement agenda. The annually updated Council Plan includes the key deliverables for the Council's five priorities, but also what actions are planned on the "enablers" that underpin these priorities. The "enablers" are split into three perspectives: financial, process and human resource and organisational development. The key deliverables for all of these are cross referenced to the feedback the Council receives on its performance and governance, from its own systems, but also external audit and inspection. Aspects of the governance framework are then updated in line with the Council Plan.

The Audit Board has responsibility for advising on the effectiveness of the Council's governance arrangements, but both the Performance Management Board and Scrutiny Steering Board can also make recommendations to Cabinet on the appropriateness of arrangements that they find through their work. The Audit Board considers the recommendations from external audit, inspection and internal audit and makes sure recommendations are implemented.

The Head of Financial Services provides an Internal Audit Service, which monitors the effectiveness of the control environment and reports specific recommendations to the Chief Executive and Audit Board.

Significant Governance Issues

During 2009/10 the Standards Committee received a high number of complaints against elected members. These were managed through the formal assessment process and where appropriate referred for investigation. Notwithstanding this, the process for managing complaints against elected members at Bromsgrove has been acknowledged by Standards for England as being an example of good practice.

To support good governance and the improvements required, the Council has developed an Improvement Programme to address a number of areas that have been identified by Members and officers. This will enable the Council to further improve our Governance arrangements and services provided to the public.

The following actions include a number of those included in the Plans:

- Develop a plan and funding arrangement with Network Rail and Worcester County Council in relation to Bromsgrove Railway station.
- Identifying cost base for comparison with other organisations to assess our value for money provided
- Review events package to increase engagement / involvement / participation of children & young people across the district
- Develop Service Level Agreement for working with the Housing Improvement Agency
- Create links with Health Improvement funding bid in relation to older people
- Report to Council on new governance arrangements required by Local Government and Public Involvement in Health Act 2007 with proposed consultation arrangements
- Harmonise HR policies and processes with Redditch Borough Council to support future shared service arrangements
- Review of new Audit Commission Key Lines of Enquiry for Strategic Housing.
- Develop climate change strategy following consultation
- Develop budget jury for supporting budget process and consultation with the wider public
- Agree and publish a policy for petitions
- Develop the Service Level agreements for Internal Audit and Property services with hosting authorities.
- Review proposals and agreements that need to be undertaken for development of the Longbridge works

Kevin Dicks
Chief Executive

Date

Councillor Roger Hollingworth
Leader of the Council

Date