

Annual Governance Statement

2018 – 2019

Annual Governance Statement

1. Scope of Responsibility

The Leader of the Council (Councillor Peter Lamb) and the Chief Executive (Natalie Brahma-Pearl) both recognise the importance of having robust rules, systems and information available to guide the Council when managing and delivering services to the communities of Crawley.

Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working over the year.

This AGS in respect of 2018/2019 will be considered by the Audit Committee at its meeting on 23rd July 2019.

Crawley Borough Council (the 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. 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.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance which is consistent with the principles and reflects the requirements outlined in the 2016 Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework, 'Delivering Good Governance in Local Government'. This statement explains how the Council has complied with the Framework and also meets the requirements of Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an annual governance statement. This is currently being updated as part of the rewriting of the Constitution.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Crawley Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Crawley Borough Council for the year ended 31st March 2019 and will continue to be developed in coming years.

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3. The Governance Framework

The Principles of Good Governance

The CIPFA/SOLACE framework was reviewed in 2015 to ensure that it remained “fit for purpose” and a revised edition was published in 2016. The new Delivering Good Governance in Local Government Framework applies to the Annual Governance Statement prepared for the year ended 31 March 2019 and up to the date of the approval of the Annual Report and Statement of Accounts for the financial year 2018-2019. The key elements of the systems and processes that comprise the Council's governance arrangements are as follows.

BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The Constitution

The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that there are efficient, transparent, and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. The current Constitution was reviewed and adopted in 2018.

The Constitution is divided into 15 articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols within the Constitution. This includes the roles and responsibilities of Councillors, officers and the scrutiny and review functions; how decisions are made; and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.

The Governance Committee is responsible for regularly reviewing the Constitution and ensuring that it is both up to date and fit for purpose. It regularly receives updates advising of Constitutional changes. The Committee approved the establishment of a Constitutional Review Working Group to undertake a comprehensive review of the document. The review has been undertaken and is near conclusion and the New Constitution will be adopted in 2019/2020.

Head of Paid Service

The Head of Paid Service (Chief Executive) is a statutory role and is responsible for the strategic management and running of the authority as a whole. They are required to report to and provide information for the Cabinet, the Council, the Overview and Scrutiny Commission and other Committees. They are responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. As head of the officer staff, the Chief Executive oversees the employment and conditions of staff. A Deputy Chief Executive was appointed to the Council in June 2018.

The Monitoring Officer

The Monitoring Officer is a statutory role. The designated Monitoring Officer ensures that the Council, its officers, and its elected Councillors, maintain the highest standards of conduct in all they do. The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures. They are also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation and maintenance of the Council's Constitution.

The Monitoring Officer also ensures the lawfulness and fairness of decision making within the Council and after consulting with the Head of Paid Service and the Chief Finance Officer, will report to the Full Council (or to the Cabinet in relation to a Cabinet function) if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the

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proposal or decision being implemented until the report has been considered. This role is also the Head of Legal, Democracy and HR.

Deputy Monitoring Officer

A Deputy Monitoring Officer has been appointed to act in the absence of the Monitoring Officer.

Section 151 Officer

Whilst all Councillors and Officers have a general financial responsibility, Section 151 of the Local Government Act 1972 specifies that one Officer in particular must be responsible for the financial administration of the organisation and that this Officer must be Consultative Committee of Accountancy Bodies (CCAB) qualified. This is typically the highest ranking qualified finance officer and in this Council is also the Head of Corporate Finance.

Deputy Section 151 Officer

A Deputy Section 151 Officer has been appointed to act in the absence of the Section 151 Officer.

The Statutory roles of the Monitoring Officer and the Chief Finance Officer are set out in the Constitution. Both officers report to the Head of the Paid Service.

Codes of Conduct

Codes of Conduct exist for both staff and Councillors. The Codes define the behaviour expected of officers and members. These Codes are part of the Constitution.

All Councillors must adhere to a Code of Conduct to ensure that they maintain the high ethical standards the public expect from them. Training is provided to members on the Code, Interests and on Gifts and Hospitality. All members complete a Declaration of Interests Form which is published on the Crawley Borough Council Website and reviewed periodically. If a complainant reveals that a potential breach of this Code has taken place the Council may refer the allegations for investigation or decide to take other action.

The Governance Committee has responsibility for Standards. This Committee received a report on the Review of Local Government Ethical Standards undertaken by the Committee on Standards in Public Life and will receive a further report on how the Council demonstrates compliance with the Best Practice Recommendations. The Committee has agreed to the publication of Code of Conduct complaints that are upheld.

On joining the Council, Officers are provided with a contract outlining the terms and conditions of their appointment. All staff must declare any financial interests, gifts or hospitality on a public register, as set out in the Constitution. Additionally, Councillors are expected to declare appropriate interests in items of business that are considered at meetings of the Council that they attend in accordance with the Code of Conduct. Councillors and officers are required to comply with approved policies.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all of its practices. The Council's Whistleblowing policy was revised in February 2018 and it sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling the matter.

Anti-fraud, bribery and corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from Councillors and Officers regarding the administration of financial affairs. The Anti-Fraud and Corruption Policy was updated on 13th March 2018 and is on the **intranet/website** for staff, Councillors and **the public** to see.

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The Council has a Fraud and Investigations Team which acts to minimise the risk of fraud, bribery, corruption and dishonesty and recommends procedures for dealing with actual or expected fraud. The team also prosecutes where appropriate and is involved in fraud training and awareness.

ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Transparency

The Council has clear decision making processes that demonstrate openness and transparency. The Council and its decisions are open and accessible to the community, service users, partners and its staff. All reports requiring a decision are considered by appropriately qualified legal, and finance staff with expertise in the particular function area before they are progressed to the relevant Committee or group. This Council wants to ensure that equality considerations are embedded in the decision-making and applied to everything the Council does. To meet this responsibility, equality impact assessments are carried out when there is significant change to major council services, functions, projects and policies in order to better understand whether the change will impact on people who are protected under the Equality Act 2010 in order to genuinely influence decision making.

All reports and details of decisions made can be found on the Council's website at:

<http://democracy.crawley.gov.uk/ieDocHome.aspx?bcr=1>

Freedom of Information/Environmental Information requests

The Freedom of Information (FOI) Act 2000 and Environmental Information Regulations (EIR) 2004 give anyone the right to ask for any information held by a public authority, which includes this Council, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so. We respond to such requests in a timely and impartial manner and in line with the legislation, and proactively publish information via the Publication Scheme on our Website.

Managing Data

The processing of Data is essential to many of the services and functions of the Council. The Council complies with the Data Protection Act 2018 and the General Data Protection Regulations. This will ensure that personal data is processed fairly, lawfully and transparently. The Data Protection legislation gives individuals with a number of rights. The Council ensures that all valid requests from individuals exercising those rights are dealt with in a timely manner.

Engagement and communication

Crawley Borough Council recognises that stakeholders require information about the decisions that are being taken locally, and how public money is being spent in order to hold the council to account for the services they provide. The views of customers are at the heart of the council's service delivery arrangements and we frequently cover a range of services seek user and customer input in to how we deliver and improve the delivery of our services.

In January 2019, six months after the successful launch of the myCrawley self-service portal, the Council undertook a digital services survey. The survey was carried out online and sought to gain a picture of how people access the internet, the devices they use, time spent online and confidence in using online services. It also followed up questions from the 2017 survey to see whether preferences have changed and to check we are on track with our ongoing plans for digital service delivery.

The Council held its annual Question Time on 14th March 2019, which gave residents the opportunity to ask questions about topics important to them.

Consultations

The council maintains a Forward Plan of Key Decisions that are to be made over a specific period. The Plan also includes details of consultations undertaken in connection with those

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decisions. Internally, a consultation toolkit has been developed to guide council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness, consultations are proactively promoted.

ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Complaints

Crawley Borough Council is committed to delivering a high quality service and aims to achieve the highest possible standards but recognises that despite its best intentions and hard work, things can go wrong. When there is service failure or users are unhappy about the way a matter has been handled, the Council openly wants to hear about such experiences and operates a two stage complaints system. Stage 1 is where the complaint is dealt with locally by the relevant service area. If the complainant continues to remain dissatisfied with the Stage 1 response, a request can be made to a further review, conducted by a senior officer, normally Head of Service as a Stage 2 complaint. Following this if the matter is still not resolved satisfactorily then the complainant is asked to take the matter up with the Local Government and Social Care Ombudsman. We also use our complaints information to improve service delivery and undertake root cause analysis where appropriate, in order to ensure on-going continuous improvement.

The Housing Ombudsman deals with any complaints that relate to the housing managed service.

DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Corporate Priorities

The council's strategic objectives and corporate priorities, are set out in the new Corporate Plan 2018-2022, which was adopted in October 2018 and are as follows:

- Delivering value for money and modernising the way we work
- Delivering affordable homes for Crawley and reducing homelessness
- Improving job opportunities and developing the local Economy
- Creating stronger communities
- Providing high quality leisure and culture facilities and supporting health and wellbeing services
- Protecting the environment

The Council continues to improve performance management within the organisation and service quality and best use of resources is ensured via:

- Transformation and Project Boards
- Portfolio Briefings
- Corporate Project Assurance Group
- Quarterly monitoring of performance by CMT

The Council has a ***'dashboard of measures' to track performance across a range of key service and ensure that a more timely response can be applied to service improvement*** and also against service plans and strategies.

The Council recognises that to drive improvement it needs to closely monitor and review its performance. The Council routinely monitors its spend against budgets, and its departments have agreed purpose and collect data to measure their performance.

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Financial Controls

Financial reports comparing budget to actual and projections to end of year are available in real time to all key officers, with access/drilldown facilities appropriate to role and responsibilities. The Leader of the Council and the Cabinet also receive quarterly budget monitoring reports.

Local Plan

The Local Plan – Crawley 2030 - was adopted in December 2015 and now forms the Council's development plan under which development control decisions will be taken. The Local Plan is supported by a number of companion planning documents and considerations including Supplementary Planning Documents, Development Briefs, Article 4 Directions and the Community Infrastructure Levy Charging Schedule and associated CIL Infrastructure (Regulation 123) List. The Council's planning policies seek to balance the economic, social and environmental needs of residents, businesses and visitors, ensuring that Crawley continues to be a great place to live, to work and to visit.

Implementation of the Local Plan and the success of the Council's planning policies is measured and reported through the Authority's Monitoring Report which is published annually. A process is in place for updating the Local Plan in 2020.

Transformation

The council is in the process of revising The Transformation Plan 2018/2022.

Our refreshed Transformation Plan consists of seven pillars:-

1. Delivering a New Town Hall;
2. Delivering Digital Transformation of services to meet customer demand, making it easy to do business with us and creating efficiency;
3. Developing New Ways of Working to meet the needs of the business whilst delivering what matters to customers;
4. Developing the organisation and our staff, defining the culture and being clear about expectations – Values and Behaviours;
5. Redesigning services from the customers perspective using Systems Thinking methodology to deliver efficiency savings whilst protecting frontline services;
6. Developing a more Commercial Approach to how we operate and ensuring that Income Generation opportunities are maximised;
7. Reducing Bureaucracy in order to streamline the decision making process.

The previous Transformation Plan delivered £5,378,600 in savings over a five year period 2012/2013 to 2016/2017. In addition through efficiencies and savings we have increased income from 2017/2018 total £3,903,000.

Housing Strategy

Housing need and the Council's policies to address this are contained within the Local Plan Housing policies.

The Council's Homelessness Strategy is currently being revised following the introduction of the Homelessness Reduction Act and informed by the Homeless Review undertaken in late 2018. The revised strategy also incorporates the approach being taken to tackle rough sleeping. The new strategy is expected to be formally adopted by the Council in October 2019 and will link to the Council's Tenancy Strategy and Allocations Scheme. Key achievements from the existing 2014-2019 strategy have included a review and revision of the Council's allocation policy to provide a more effective homelessness prevention tool and speed the flow through temporary accommodation. The Council has been able to significantly reduce the use of nightly paid (B&B) accommodation as a result and has sustained this position despite the increased demands arising from the Homelessness Reduction Act. A total of 2800 households have been prevented from becoming homeless, 1000 of these enabled to remain in their existing accommodation through the Council's intervention and 1800 assisted into alternative accommodation. The Council continues to develop and maintain a varied portfolio of temporary accommodation,

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supports other service providers in developing move on accommodation and has sustained a delivery programme of 250 new affordable homes each year over the past 5 years. The aim is for delivery at this level over the following 4 year period and work is in hand to identify further sites to maximise housing delivery through the Local Plan review.

Local Partnerships

The Council has a key role in a number of local partnerships, working for the benefits of residents and the community to improve the quality of life, including:

- Safer Crawley Partnership - formed in 1998 in response to the Crime and Disorder Act 1998.
- Crawley Wellbeing - a free, friendly and impartial health advisory delivered in partnership with West Sussex County Council and the local NHS.
- Economic Partnerships, Local Economic Action Group (LEAG), Crawley Growth Programme, Gatwick Diamond Initiative, Greater Brighton Economic Board and the Manor Royal Business Improvement District (BID).
- We are also statutory members of the West Sussex Local Safeguarding Children Board, the West Sussex Adult Safeguarding Board and the West Sussex Health & Wellbeing Board.
- Strategic Housing - the Council both leads and participates in a range of groups providing a multi-agency response to tackling street homelessness and providing improved outcomes for care leavers, ex-offenders and people with supported housing needs.

The Council also participates in numerous national, sub-regional and County-wide partnership initiatives, including the Coast to Capital LEP, which is a body made up of representatives from business, academia and the wider public sector. The partnership's aim is to be the catalyst for realising the sub-regional economic and commercial potential.

DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Effectiveness of Governance Framework

The Council has responsibility for reviewing the effectiveness of its governance framework and this is undertaken by work of the Corporate Management Team in their development and maintenance of the governance environment. The Audit and Risk Manager produces an annual report and specifically comment's on the governance framework, as does the External Auditor. Areas identified for improvement are acted upon by CMT.

Financial Measures

Crawley Borough Council publishes its Annual Statement of Accounts in accordance with CIPFA guidelines and the annual Budget is approved by Full Council and monitored and reported upon regularly.

Consultations

To be effective this policy aims to inspire and support a genuine two-way dialogue with all sections of the community and other stakeholders. There are a number of ways people can get involved and connect with the council. Local people have the option to engage in a dialogue through: social media sites (including Facebook and twitter), petition schemes, neighbourhood forums, council meetings (open to the public), and through their local Councillor.

Internally, a Statement of Community Involvement has been developed to guide council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness and participation, consultations are proactively promoted via publications (printed and digital), press releases, social media, email, town notice boards and the council's website. A council publication, Crawley

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Live, is published quarterly and mailed to every household in Crawley to keep residents informed. Various methods are used (depending on the scope of the consultation) to seek people's views, including questionnaires, public events and exhibitions, focus groups, satisfaction surveys and feedback forms. A list of current consultations and consultation events is available on the council's website at www.crawley.gov.uk/consultation

Public Consultation

Where appropriate the Council has carried out public consultations. There were a number carried out during 2018/2019, which included the Mystic Joe/Arts Council England arts and culture consultation, employment skills survey, proposed Public Spaces Protection Order consultation and abandoned trolleys survey. All information gathered from public consultations is analysed and considered as part of the council's decision-making process.

DEVELOPING THE COUNCIL'S CAPABILITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Recruitment, Training and Development

Human Resources policies and procedures are in place to facilitate the recruitment and retention of capable staff. The Council operates a robust interview and selection process to ensure that staff are only appointed if they have the right levels of skills and experience to effectively fulfil their role. All new staff attend corporate induction sessions and undertake an e-learning induction package. Suitable training is available to support all staff to carry out their roles to the best of their ability. Newly elected Councillors are required to attend an induction programme which includes information on: roles and responsibilities; political management and decision-making; the Code of Conduct; declaration and registration of interests; financial management and processes; information governance; and Data Protection.

Councillor's attendance at meetings is recorded via the Modern.Gov system. In the event of continual non-attendance for 4 months the matter will be passed to the Leader of the political group concerned for action to be taken. Should a Councillor fail to attend any formal meeting of the Council, for a period of 6 months, they relinquish being a Councillor. Each Group may seek approval from the Full Council to extend the 6 month non-attendance period, in exceptional circumstances.

Performance issues relating to staff are dealt with by the Manager / Head of Service.

Legal Compliance

The Council's Constitution clearly defines the roles and responsibilities of the Chief Executive, Chief and Senior Officers, Councillors and Committees and outlines procedural standards, scheme of delegation and protocol on Council/Officer relations.

The Monitoring Officer, who is the Head of Legal & Democracy and HR, is responsible for legal compliance, Conduct and Compliance and working with departments to advise on legal issues across the Council.

Financial Compliance

The Head of Corporate Finance is the designated S151 Officer and has overall financial responsibility within the Council, as outlined in the Constitution.

MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Effective scrutiny

The Council operates an Overview and Scrutiny Commission which has its own terms of reference, as outlined in the Council's Constitution. This Commission supports the work of the

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Cabinet and the Council as a whole. It allows citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget and service delivery. The Overview and Scrutiny Commission also monitors the decisions of the Cabinet. This enables them to consider whether the decision is appropriate. They may recommend that the Cabinet reconsider or amend the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

Financial management

The Head of Corporate Finance (S151 Officer) is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. The Head of Corporate Finance provides advice on financial matters to both the Cabinet Executive and full Council and is actively involved in ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The Head of Corporate Finance, together with the Finance team, ensures that new policies or service proposals are costed, financially appraised, fully financed and identifies the key assumptions and financial risks that face the council.

Risk management

All significant (strategic) risks are discussed by CMT and reported to the Audit Committee on a quarterly basis. These include the new Town Hall, delivering affordable housing and planning for Britain's exit from the European Union.

IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Internal Audit

The Audit and Risk Manager (Head of Internal Audit) is a qualified member of the Chartered Institute of Internal Auditors and they have full access to CMT and the Audit Committee. The audit team is properly resourced and the Council is in compliance with the CIPFA statement on the Role of the Head of Internal Audit (2010) and Public Sector Internal Audit Standards.

The Audit and Risk Manager provides an independent and objective annual opinion on the effectiveness of internal control, risk management, and governance each year. This is carried out by the Internal Audit team in accordance with the Public Sector Internal Audit Standards. The Audit and Risk Manager reports to the Audit Committee on a quarterly basis.

Overview and Scrutiny Commission – see above.

Audit Committee

The role of the Audit Committee is to review and assess the adequacy of the Council's internal audit and risk management arrangements. This Committee meets quarterly and receives the reports from the Audit and Risk Manager, including their progress reports and Annual Report. This committee approves the Internal Audit Plan, ensures the Audit and Risk section is properly resourced and reviews the effectiveness of the Council's risk management arrangements.

Governance Committee

The Governance Committee will deal with Constitutional matters, the Conduct of Councillors, Political Management Arrangements, Corporate Governance, Councillors' Allowances, Elections and all non-Executive functions not specifically delegated to another Committee or Sub-Committee of the Council. This Committee specifically monitors and reviews the Corporate Governance of the Council including giving consideration of the Authority's Annual Governance Statement.

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Annual accounts

The Council publishes full audited accounts each year which are published on the website at <http://www.crawley.gov.uk/pw/sitesearch/index.htm?q=accounts%23>

4. Review of Effectiveness

Crawley Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the CMT, who have responsibility for the development and maintenance of the governance environment, the Audit and Risk Manager's Annual Report, and also by comments made by relevant stakeholders, the external auditors and other review agencies and inspectorates.

5. Significant Governance Issues

- Data Centre Migration Project – this project was significantly delayed and the budget was exceeded. A lack of governance and internal controls was identified by an Internal Audit review.

6. Proposed Action

We propose over the coming year to take further steps to address the above matter to further enhance our governance arrangements. Much work has already been undertaken following the report on the Data Centre Migration Project, and the migration to the Redhill Data Centre is substantially complete.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signatures: _____ Date: _____
Leader of the Council

_____ Date: _____
Chief Executive