

# **Annual Governance Statement**

**2017 – 2018**

# Annual Governance Statement

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## 1. Scope of Responsibility

The Leader of the Council (Cllr 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 2017/18 will be considered by the Audit Committee at its meeting on 25<sup>th</sup> July 2018.

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 CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'. This statement explains how the Council has complied with the code 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 31 March 2018 and will continue to be developed in coming

### 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 2017 and up to the date of the approval of the Annual Report and Statement of Accounts for the financial year 2016-17. 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***

Crawley Borough Council last updated its Constitution in February 2018, and this sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that these 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 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 has approved the establishment of a Constitutional Review Working Group to undertake a comprehensive review of the document and that the revised Constitution to be in place for the 2019/2020 municipal year.

##### ***Head of Paid Service***

The Head of Paid Service is responsible for the strategic management 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

##### ***The Monitoring Officer***

The Monitoring Officer is a statutory function and 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 proposal or decision being implemented until the report has been considered.

## Annual Governance Statement (Continued)

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### ***Deputy Monitoring Officer***

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

### ***Section 151 Officer***

Whilst all Council Councillors and Officers have a general financial responsibility, the 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 CCAB qualified. This is typically the highest ranking qualified finance officer and in this Council is also the Head of Finance, Revenues and Benefits.

### ***Deputy Section 151 Officer***

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

### ***Codes of Conduct***

Codes of Conduct exist for both staff and Councillors.

All Councillors must adhere to a Code of Conduct to ensure that they maintain the high ethical standards the public expect from them. 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.

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 any interests at the start of every meeting that they attend in accordance with Standing Orders. 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 in February 2018 and is on the **intranet/website** for staff, Councillors and **the public** to see.

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 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, proactively publish information on our Website.

#### ***Subject Access Requests***

Section 7 of the Data Protection Act provides for individuals to obtain a copy of information that an organisation holds about them upon making a written request and paying a fee. The Council is committed to proving information requested in a timely manner. The Council is advanced in its preparation for the General Data Protection Regulations, which come into force on 25<sup>th</sup> May 2018.

#### ***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 this Council has developed a Community and Engagement Policy, which reflects the council's ambition to enable and empower communities to shape the places within which they live and work, influence formal decision making and make informed choices around the services they receive.

In June 2017, the Council undertook a survey for people who live locally and/or use its services about how they access the internet, which devices they use and how much time they spend online, ahead of the launch of the new self-service portal.

The Council held its annual Question Time on 2<sup>nd</sup> February 2018, which gave residents the opportunity to ask questions about topics important to them.

#### ***Consultations***

The council keeps a Forward Plan of planned consultations and future 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

#### ***Administration's Manifesto***

The Council's vision and priorities are set out in the Administration's Manifesto. The CMT regularly update performance against these objectives. Mechanisms are in place to measure the quality of services for users, ensuring they are delivered in accordance with Crawley Borough Council's objectives and that they represent the best use of resources. The Council continues to improve performance management within the organisation and service quality and best use of resources is ensured via:

- ☐ Quarterly Review of Financial Performance Reports
- ☐ Transformation and Projects

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.

Quarterly monitoring of complaints by CMT. The Council is currently working on 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. This is encapsulated within the Performance Management Framework.

#### ***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.

## Annual Governance Statement (Continued)

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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.

### **Transformation**

The council is in the process of revising The Transformation Plan 2018/22. The purpose of the new plan is to enable the delivery of value for money services by "getting it right first time and delivering what matters to our customers".

Our new 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. Blitz on Bureaucracy in order to streamline the decision making process.

The previous Transformation Plan delivered £8,336,500 million in savings over a five year period 2012/13 to 2016/17.

### **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 2014-19 has been produced as a result of partnership working with both providers and users of council services. The strategy explains how the Council will address homelessness within Crawley, and is informed by the Homelessness Review which took place in early 2014. An annual update is published setting out achievements over the course of the year. The Homelessness Strategy will be revised following the introduction of the Homelessness Reduction Act and this work will be informed by a new Homeless Review which will be undertaken in 2018. Key achievements 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 result. Other key achievements have included a significant reduction in street homelessness through effective multi-agency and outreach working, developing new self-contained temporary accommodation and boosting housing supply through an own-build and an enabling programme to deliver 1000 new affordable homes over a 4 year period.

### **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 service from your local authority, run in partnership with West Sussex County Council and the local NHS.
- Economic Partnerships, LEAG, Crawley Growth Programme,
- We are also statutory members of the Local Safeguarding Children Board, the Adult Safeguarding Board and the West Sussex Health & Wellbeing Board.



## Annual Governance Statement (Continued)

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- 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 national and County-wide partnership initiatives, including:

- Coast to Capital LEP
- Greater Brighton Economic Board

### **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), their local Councillor and through the citizens panel.

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 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](http://www.crawley.gov.uk/consultation)

#### **Public Consultation**

Where appropriate the council has carried out public consultations. There were a number of key consultations carried out during 2017/18, which included proposed changes to waste and recycling services, and regeneration projects for Queensway, Three Bridges Station and the Town Hall. All information gathered from public consultations is analysed and considered as part of the council's decision making process.



## Annual Governance Statement (Continued)

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### **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 which includes information on: roles and responsibilities; political management and decision-making; financial management and processes; health and safety; information governance; and safeguarding.

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 & Democratic Services Manager 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 Finance, Revenues and Benefits 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 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 Finance, Revenues and Benefits (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. They provide advice on financial matters to both the Cabinet Executive and full Council and is actively involved in

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ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The Head of Finance, Revenues and Benefits, together with Finance team, ensure 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.

## **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***

The Council's Overview and Scrutiny Commission supports the work of the 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 the decision.

### ***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.\*

### ***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>

## Annual Governance Statement (Continued)

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### 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

- Operational Risk Management – outcome of the audit report – training has been agreed.
- IT Disaster Recovery Plan not tested – A desktop exercise was carried out at Bewbush Centre in January 2018. This is the Council's designated business continuity centre. The majority of the Council's systems are now available at this location.
- Whistleblowing policy and Anti-Fraud and Corruption policies out of date – updated February 2018.

### 6. Declaration

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. 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:

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Leader of the Council

Date:

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\_\_\_\_\_

Chief Executive

Date:

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