

# Annual Governance Statement 2018/19

## Introduction

Ashfield District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

As part of the arrangements for preparing the Annual Statement of Accounts, the Council is required by law to undertake an annual review of the effectiveness of its system of internal control and produce an annual governance statement. Good practice requires that such a statement should extend beyond a narrow focus on financial controls to cover the way in which the Council determines what its local community wants and needs; decides how those requirements are to be met; and ensures that it delivers what is required without wasting public money.

## What is Corporate Governance?

Corporate governance is part of the overall control framework and contributes to the Council's robust governance arrangements.

Good corporate governance ensures organisations are doing the right things in the correct manner in an open, honest, inclusive and accountable way. Good governance leads to good management, performance and outcomes. It ensures the Council delivers the visions and priorities set out in its Corporate Plan.

Ashfield District Council is committed to good corporate governance. The Council has a framework of policies and procedures in place which collectively make up its governance arrangements.

The Council has adopted a Local Code of Corporate Governance which sets out the Council's arrangements and is based on the guidance "Delivering Good Governance in Local Government" published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in 2016. The CIPFA/SOLACE guidance identifies seven core principles and various sub principles. The seven core principles are detailed below and are also used as the framework for assessing the effectiveness of the Council's governance arrangements.

The Council's governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner
- Makes sure that public money is safeguarded, properly accounted for and used efficiently, effectively and economically
- Has effective arrangements for the management of risks
- Secures continuous improvements in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

A key part of the governance framework is the system of internal control: this is designed to manage the risk of failure to achieve policies, aims and objectives to a level which the Council has determined as acceptable. The effectiveness of internal control is subject to regular review by both external and internal audit and the Annual Report of Internal Audit for 2018/19 provides an opinion on the effectiveness of the internal control system over the year ending 31<sup>st</sup> March 2019.

# **The Principles of Good Governance**

## **A summary**

**The Council aims to achieve good standards of governance by:**

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

# How the Council Works

The Council consists of 35 elected Councillors. The way the Council operates is prescribed by its Constitution which sets out the roles and responsibilities of the Council, Cabinet, Committees, Panels and other Groups and specifies the powers and duties that are delegated to those bodies and to individual Councillors and Officers. The Constitution is subject to regular review and is updated to ensure compliance with legal and regulatory requirements and conformance to recognised good practice.

The Council has determined that a Cabinet made up of the Leader and Portfolio Holders should have the power to discharge all Executive functions. The role of the Council and its regulatory Committees (such as Planning and Licensing Committees) is set out in the Constitution. The Council has also established an Overview and Scrutiny Committee and Scrutiny Panels with the power to review decisions made. The Audit Committee provides assurance as to the adequacy of the Council's risk management framework and control environment and scrutinises the Council's financial performance and reporting. The Standards and Personnel Appeals Committee has been established to promote and maintain high standards of conduct by Members and Officers.

During 2018/2019 the management of the Council was the responsibility of the Chief Executive (Head of Paid Service) supported by the Corporate Leadership Team (CLT) which comprises four directors (Legal & Governance (Monitoring Officer), Housing & Assets, Resources & Business Transformation and Place & Communities) each reporting directly to the Chief Executive. The Director of Housing & Assets also carries out the role of Deputy Chief Executive acting in the absence of the Chief Executive. The Corporate Finance Manager has been formally appointed as Chief Finance Officer (Section 151 Officer) and is also a member of the CLT.

The Council's vision and ambition for the District are clearly identified in a set of Corporate Priorities which are presented in the Corporate Plan which supports the development of annual service plans for all individual services. The Corporate Plan has been reviewed. A robust project management approach is in place to ensure successful delivery of the Corporate Plan through programme and project management. The Council has established a Performance Management Framework: clear performance targets are set for each Service and performance achieved is subject to regular monitoring using objective performance indicators. Employees undergo an annual Personal Development Review linked to a competency framework.

A Budget and Policy Framework has been established to ensure that budget and policy decisions are taken in an appropriate manner and the Medium Term Financial Strategy – supported by robust budgeting and budgetary control arrangements - ensures that the Council's financial position is sustainable and that a balanced budget is set each year. The Council's Risk Strategy sets the way in which risks are

identified, evaluated and managed. Risk Registers are maintained and reviewed by CLT, Cabinet and Audit Committee to ensure that appropriate and timely action is taken to deal with the risks that have been identified. The Central Midlands Audit Partnership (CMAP), on behalf of the Council, carries out a programme of audits annually to provide assurance about the effectiveness of risk management, control and governance processes. A Fraud Risk Register is in place to identify and mitigate against potential fraudulent activities the Council may be the victim of.

## The Role of the Chief Financial Officer in Ashfield District Council

CIPFA published a Statement in 2010 on the 'Role of the Chief Financial Officer in Local Government'. It identifies the five key principles that define the core activities and behaviours of the role and the organisational arrangements to support them. The table below explains how the Council's arrangements comply with the statement.

1	The CFO in a public service organisation is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.	<ul style="list-style-type: none"> <li>• The Roles and Responsibilities of the Corporate Leadership Team (CLT) are set out in job descriptions. These were updated as part of the management restructure in May 2017. A new job description is in place for the Corporate Finance Manager and Section 151 Officer (CFM) role.</li> <li>• The CFM reports to the Director of Resources and Business Transformation, and is also a member of the Corporate Leadership Team. Monthly meetings also take place between the Chief Executive and CFM.</li> <li>• An up to date scheme of delegation exists; this was confirmed by Annual Council (May 2018). The next revision will be submitted to the Annual Council in May 2019.</li> <li>• The authority's governance arrangements allow the CFM to bring influence to bear on all material business decisions, and has direct access to all CLT members, the Audit Committee and External Audit.</li> <li>• The CFM manages the Finance Team (which includes Treasury Management, Creditors, Rent Accounting and Insurance). It is considered that such responsibilities still enable the role to have a clear focus on financial management particularly since the introduction of the Chief Accountant post in March 2018.</li> <li>• CLT receive regular updates on the MTFs, budget monitoring and year end outturn. The CFM ensures that their knowledge and awareness of financial issues is up to date through regular briefings. Three of the four Principal Accountants have each been allocated a Directorate in order</li> </ul>
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		<p>to provide direct support and challenge when necessary. One Principal Accountant has responsibility for Capital and Treasury Management. The four Principal Accountants report directly to the Chief Accountant.</p> <ul style="list-style-type: none"> <li>• By having the above measures in place, the CFM is able to contribute to the effective leadership and corporate management of the Council. The CFM leads the development of the MTFs and annual budget process to ensure financial sustainability.</li> </ul>
2	<p>The CFO in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.</p>	<ul style="list-style-type: none"> <li>• The Council has a medium term business and financial planning process to deliver the Council's strategic objectives, including an MTFs, an annual budget process and regular and timely monitoring of budget performance.</li> <li>• Professional advice on decisions which have financial implications is provided by the Finance Team and is included in every report. In addition, accountants work with budget holders in advance of major decisions to ensure that the financial implications are accurate and well understood.</li> <li>• The CFM assesses the adequacy of reserves and a reserves policy was introduced as part of the Financial Regulations update in May 2018. The latest review informed the assurance given in the 2019/20 Annual Budget and Council Tax Setting report to Council on 4 March 2019.</li> <li>• Timely, accurate and impartial information is provided to decision makers, which helps to ensure effective stewardship of public money and that the Council achieves the objectives it has set out in its Corporate Plan.</li> <li>• The Council maintains a prudential financial framework which is reported on three times each year, to ensure that its commitments remain within its available resources.</li> <li>• An appropriate accounting system is in place although there are opportunities to develop this further. An upgrade to this system was implemented in early March 2019. Through this system regular financial monitoring reports are produced for Officers and Members.</li> </ul>
3	<p>The CFO in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management</p>	<ul style="list-style-type: none"> <li>• The CFM is responsible for ensuring that appropriate advice is given on all financial matters, for keeping financial records, and for maintaining an effective system of financial control.</li> <li>• Systems and processes for financial administration, financial control and protection of the Council's resources are well designed. Such arrangements are subject to independent risk based auditing by Internal Audit. The Council's Internal Audit arrangements are provided by Central Midlands Audit Partnership. The Monitoring Officer is responsible for ensuring an effective Internal Audit function is in place.</li> </ul>

	so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.	<ul style="list-style-type: none"> <li>• The Annual Governance Statement includes all the Council's significant governance issues.</li> <li>• Annual accounts are published on a timely basis and are presented by the CFM to Cabinet, Audit Committee and senior officers.</li> <li>• The Council has an Audit Committee. Various Member training has taken place during the year and further training will be provided to Members following the May 2019 District Council elections.</li> <li>• The Council has received positive Value for Money conclusions over the last six years.</li> <li>• Financial competencies are embedded in person specifications and staff appraisals.</li> <li>• The Finance Team lead initiatives to improve non-financial managers' understanding of finance.</li> <li>• Financial training is provided for Elected Members as required. Financial Management training material is currently being refreshed and will be rolled out to Members and relevant Officers after the May 2019 elections.</li> </ul>
4	The CFO must lead and direct a finance function that is resourced to be fit for purpose.	<ul style="list-style-type: none"> <li>• The Finance function now has the resources, expertise and systems to perform its role effectively. A Finance restructure is part-way through implementation with Phase 1 being completed in 2018. Phase 2 will be implemented in 2020 once the finance system's new functionality has been embedded and efficiencies realised. Ensuring the required expertise is in place will require constant review in light of the innovative projects which are being explored.</li> <li>• All the Finance staff within the Council report via the Chief Accountant to the CFM.</li> </ul>
5	The CFO must be professionally qualified and suitably experienced.	<ul style="list-style-type: none"> <li>• The CFM is a CIMA qualified accountant (2002) who has previously undertaken the role of Deputy Section 151 Officer at this Council.</li> <li>• He has wide ranging senior local government finance experience, gained from employment at two other authorities, including the role of Director of Service Finance for a period of 5 years and Chief Finance Manager for a period of 6 years.</li> <li>• His role is well understood by Members and Officers throughout the Council.</li> </ul>

## **The Role of the Monitoring Officer in Ashfield District Council**

The Council is required to ensure it has in place effective arrangements for the discharge of the statutory Monitoring Officer Function.

The Constitution sets out the statutory role and functions of the Monitoring Officer and recognises that the Council must ensure the Monitoring Officer has access to sufficient resources in order to undertake the role.

The Director of Legal and Governance is appointed by Council to be the Monitoring Officer. The Director of Legal and Governance has over 10 years' experience of acting as the Monitoring Officer for the Council and is a qualified solicitor with more than 20 years post-qualification experience. The Monitoring Officer is a member of CLT and directly line managed by the Chief Executive.

The Director of Legal and Governance has sufficient resources available including suitable Deputy Monitoring Officer provision. The Monitoring Officer and Deputies attend appropriate training each year.

The Monitoring Officer is responsible for ensuring an effective internal audit function is in place and is lead Chief Officer for the Audit Committee and Standards and Personnel Appeals Committee.



# How does the Council Review the Effectiveness of its Governance Framework?

The initial review of the effectiveness of the Council's governance framework was conducted by the Council's Director of Legal and Governance (Monitoring Officer) supported by the Service Manager Corporate Support and Transformation.

To inform the initial review process:

- The Corporate Leadership Team carried out a Corporate Assurance Assessment;
- Each Director provided a Statement of Assurance;
- The Council's Chief Finance Officer (S151 Officer) was consulted;
- The Constitution review, performance reporting and risk management arrangements were taken into account;
- The findings reported by External Audit and other external review bodies were considered;
- The work of Internal Audit and other internal assurance providers were also considered.

The results of the review work were formulated into a draft Governance Statement. The Corporate Leadership Team reviewed the draft Statement and considered whether the improvements proposed represented an appropriate and proportionate response to the significant governance issues identified.

The draft Governance Statement, modified to reflect the views of the Corporate Leadership Team, was then considered by a Member Working Group made up of the Council's Audit Committee.

The Director of Legal and Governance (Monitoring Officer) then finalised the Annual Governance Statement in readiness for the close of accounts and the Statement will be considered for formal approval by the Council's Audit Committee at its meeting in July 2019.

# How do we know our arrangements are working?

## Review of Effectiveness 2018/19

- The Council has assessed itself against the key criteria for good corporate governance by undertaking a Corporate Assurance Assessment. A score of 86%, or “good” was recorded. The Council will continue to work on identified areas to ensure further improvements are made. Ongoing improvements and significant issues are recorded later in the statement.
- Key changes, developments and achievements during 2018/2019 have been reviewed against our Corporate Plan and Local Code of Corporate Governance to assess compliance and a brief summary is set out in Appendix 1.
- The current Local Code of Corporate Governance was approved by Audit Committee in December 2018 and will be reviewed during 2019.
- The Council has assessed whether the key areas identified in the 2017/2018 Annual Governance Statement have been delivered and an update is set out below.
- **As a result of the review work undertaken the Council’s governance arrangements are deemed to be good and are fit for purpose.**

## Internal Audit Opinion 2018/19

Central Midlands Audit Partnership (CMAP), who provide internal audit services to the Council, has provided its opinion for 2018/19. Based on the work undertaken during the year, CMAP is able to give an opinion that the Council has a “satisfactory system of internal control” (the highest level of assurance opinion which can be given).

Their full report will be presented to the Council’s Audit Committee in July 2019.

During 2017 CMAP underwent a review by a qualified external assessor to assess the partnership’s conformance with the Public Sector Internal Audit Standards (PSIAS). CMAP currently conforms to the PSIAS.

## Progress Regarding Improvement Actions identified in 2017/2018

Improvement Actions 2017/2018	Progress Made During 2018/2019
Development of Members' Induction Programme	Complete – The Members' Induction Programme has been developed and, subject to potential minor changes due to the availability of trainers, was approved at the Standards and Personnel Appeals Committee on 18 March 2019
Community Engagement Strategy Review	Ongoing - Small grant work is now fully implemented by the Notts Community Foundation. Work continues on a community engagement strategy and handbook, which will be launched by the new Administration after the Election.
General Data Protection Regulations (GDPR) – Continue to progress the implementation plan and review post implementation	<p>Complete - GDPR has been implemented within the Council and is being continuously embedded / strengthened through a variety of routes including: annual training; new starter training; events such as data breach week; briefings and messages of the day. In addition, a wide variety of resources are now available online for staff to access to support them in their roles.</p> <p>Testing in relation to the implementation of GDPR will form a piece of work as part of the 2019/20 Internal Audit Work Plan.</p>
Corporate Risk Strategy Review – to include risk appetite	Review complete. Corporate Risk Strategy approved at Cabinet in June 2018.

<p>Embed the Benefits Realisation Strategy</p>	<p>Ongoing.</p> <p>Continuing to embed benefits realisation through CLT and respective programme boards via the introduction of benefits measures and monitoring of such from pentana portals.</p>
<p>Digital and Service Transformation Programme</p>	<p>Ongoing - the business case remains on schedule for July 2019 Cabinet including details of programme management, governance and financial projections. External expertise and capacity is being commissioned to suitably develop key elements of the business case.</p>
<p>Refresh the Data Quality Strategy</p>	<p>Complete. Strategy reviewed July 2018 and available to Officers via the intranet. Actions in place to ensure review of relevant Performance Indicators (PI) in discussion with service managers through service planning process Spring 2019, including PI definitions.</p> <p>Testing in relation to Data Quality will form a piece of work as part of the 2019/20 Internal Audit Work Plan.</p>
<p>Modern Slavery Act – Policy and Statement</p>	<p>Complete. Policy and Statement approved at Cabinet in July 2018.</p>
<p>Review of compliance with Financial Regulations governing the raising of purchase orders (plus introducing ‘no purchase order no payment’ initiative).</p>	<p>An update to Financial Regulations will be presented to Annual Council in May 2019.</p>

	The finance system upgrade remains on schedule including the ability to activate the 'no purchase order/no payment functionality; once fully implemented refreshed training will be given to Officers and Members.
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## Progress Regarding Significant Issues identified in 2017/2018

Significant Issues 2017/2018	Progress Made During 2018/2019
<p><b>FINANCIAL SUSTAINABILITY</b></p> <p>The year 2019/20 is the final year of the four-year financial settlement provided by the Government. Together with the Fair Funding Review and the move to 75% retained business rates this provides further uncertainty in respect of the Council's finances after 2020.</p> <p>Although the Medium Term Financial Strategy (MTFS) was refreshed in February 2018 the changing landscape of local government finance and the potential for changes to the Corporate Plan will require more frequent updates of the MTFS and the saving strategy.</p>	<p>A balanced budget was approved by Council on 4<sup>th</sup> March 2019.</p> <p>The Budget report included details of the estimated financial challenge (funding gap) for the two subsequent years and referenced the significant uncertainty in respect of the Fair Funding Review, 75% Business Rates Retention Rates and Business Rates Reset and potential changes to the distribution methodology for New Homes Bonus.</p> <p>The report set out the Council's planned approach to addressing the funding gap which is currently being progressed.</p> <p>A further MTFS update report will be presented to Cabinet following the closure and audit of the 2018/19 accounts.</p>

## **INVESTMENT IN COMMERCIAL PROPERTIES**

2017/18 saw the introduction of a new regulatory environment with CIPFA's new Prudential and Treasury Management Codes. These changes will start to impact significantly in 2019/20 and the Council will be putting in place a Capital Strategy which brings together policies around Capital, Debt and Investment.

Through the Capital Programme the Council has purchased commercial investment properties totalling £15 million [the Council has currently invested approximately £24 million in property acquisitions] and has increased its borrowing requirement. It will remain essential to effectively manage the investment portfolio in light of the ever changing economic climate whilst also having a clear understanding of how such risks and rewards impact on the Council's financial position.

The production of the new Capital Strategy will provide the opportunity to fully explore a wide range of investment options based upon the Council's risk appetite whilst also ensuring proper due diligence and long term planning to reflect current and planned treasury positions.

The Capital Strategy and Treasury Management Strategies were approved by Council on 4<sup>th</sup> March 2019.

The Strategies included proposals to acquire further investment properties to facilitate continued service delivery to the residents of Ashfield. The Strategies acknowledge that CIPFA guidance has not yet been received and depending on its content when received, it may necessitate a revision to the Strategy which will need to be re-presented to Council for approval.

The Strategies include details of the robust procedure in place when acquiring Investment Properties and the means of ongoing monitoring and review of the portfolio.

Council approved additional allocations of £20m per annum from 2019-22 to be allocated in the Capital Programme for commercial property acquisition.

## **DATA MATCHING AND NATIONAL FRAUD INITIATIVE (NFI)**

Introducing a clear corporate approach to data matching and NFI work including identifying a corporate lead officer.

NFI data matches for Housing Benefits, Council Tax Support, Housing Tenancy, Housing Waiting Lists, Creditors, Right to Buy and Payroll are now available and NFI users from the relevant services have been set up to allow them access to the data matches.

Work is now underway to check all High and Medium Risk data matches, in priority order. The outcomes of these checks will be recorded in the NFI system.

	Work has also commenced on the Council Tax Single Person Discount matches. The Corporate approach is being reviewed.
<b>PROCUREMENT</b> Review and implement procurement strategy, align systems and processes with the new service provider and ensure full compliance with contract management and transparency requirements.	Completed September 2018. The alignment of processes and systems to meet the requirements of transparency has been carried out. The Strategy has been reviewed and updated in line with the current service.

# Improvement Actions

As part of the Council's drive to continuously improve its existing governance framework to meet changing conditions, the following actions have been identified to take place during 2019/2020:

Improvement Action	Lead Officer	Target Date
Community Engagement Strategy – monitoring and evaluating engagement	Interim Director of Place and Communities & Assistant Director Place and Wellbeing	March 2020
Digital Transformation Programme	Director of Resources & Business Transformation Service Manager Corporate Support and Transformation	Business Case Approval - July 2019 Ongoing Implementation
New Corporate Plan with new performance measures	Chief Executive & Service Manager Corporate	July 2019



	Support and Transformation	
Consultation with tenants on new resident involvement structure/opportunities	Director of Housing and Assets	To commence June 2019 and complete December 2019
Development of a system to track and evaluate the outcome and implementation of decisions	Director of Legal and Governance & Service Manager Corporate Support and Transformation	December 2019
Tenants Charter	Director of Housing and Assets	To commence June 2019 and complete December 2019
Standards and Personnel Appeals Committee – 2019/20 work plan item to consider in detail the report of the Committee on Standards in Public Life and ways the Council may implement best practice recommendations.	Director of Legal and Governance	March 2020

# Significant Governance Issues

While the effectiveness review and other developments during the year demonstrate that corporate governance arrangements and the internal control framework are fit for purpose and effective, as part of continuing efforts to improve governance arrangements the following significant governance issues have been identified for improvement.

Key Improvement Area	Lead Officer	Target Date
<p><b>FINANCIAL SUSTAINABILITY</b></p> <p>The year 2019/20 is the final year of the four-year financial settlement provided by the Government. The Fair Funding Review and the move to 75% retained business rates and the proposed business rates reset provides further uncertainty in respect of the Council's finances after 2020.</p> <p>Although the MTFS was refreshed in February 2018 the changing landscape of local government finance and the potential for changes to the Corporate Plan requires more frequent updates of the MTFS and the savings strategy. The MTFS has been updated to reflect further changes since that date including savings and investments for 2019/20 and the reduced level of New Homes Bonus achieved compared with the level assumed and planned for in the February 2018 MTFS.</p> <p>A further revised MTFS will be taken to Cabinet following the closure and audit of the 2018/19 accounts.</p>	<p>Corporate Finance Manager &amp; Section 151 Officer</p>	<p>Ongoing</p>
<p><b>INVESTMENT IN COMMERCIAL PROPERTIES</b></p> <p>2017/18 saw the introduction of a new regulatory environment with CIPFA's new Prudential and Treasury Management Codes. These changes will start to impact significantly in 2019/20. The Council put in place</p>	<p>Corporate Finance Manager &amp; Section 151 Officer</p>	<p>Ongoing</p>

<p>a Capital Strategy and Treasury Management Strategy which brings together policies around Capital, Debt and Investment. These strategies were approved by Council on 4 March 2019.</p> <p>Through the Capital Programme the Council has purchased commercial investment properties totalling £24 million to date (March 2019) and has increased its borrowing requirement. This Council has also set out in its Capital Strategy an aspiration to invest at a rate of £20m per year for the next four years to generate income to sustain delivery of services to residents. Guidance currently awaited from CIPFA may require that this aspiration is revisited and a revised strategy to Council may be necessary. It will remain essential to effectively manage the investment portfolio in light of the ever changing economic climate whilst also having a clear understanding of how such risks and rewards impact on the Council's financial position.</p> <p>The new Capital Strategy provides the opportunity to fully explore a wide range of investment options based upon the Council's risk appetite whilst also ensuring proper due diligence and long term planning to reflect current and planned treasury positions.</p>		
<p><b>DATA MATCHING AND NATIONAL FRAUD INITIATIVE</b></p> <p>A review was carried out in 2018/19 to identify how the Council uses NFI and data matching to enable the corporate approach to be developed. An exercise was also carried out regarding Council Tax Single Person Discount. The Council must now determine an action plan to prioritise improvements. The refreshed approach will give the Council the opportunity to develop and embed their anti-fraud culture.</p>	<p>Service Manager – Revenues and Benefits</p>	<p>December 2019</p>
<p><b>LOCAL PLAN</b></p> <p>The Council decided to withdraw its emerging local plan in September 2018 and to commence the preparation of a new plan. The Local Development Scheme (LDS) was approved by Cabinet on 1</p>	<p>Interim Director of Place and Communities</p>	<p>In accordance with the</p>

<p>October 2018 and this provides a detailed report on the process to be followed and the timetable, which includes target milestones. The Council met with MHCLG in May 2019 to discuss the progress made with the new plan. It is anticipated the initial draft of the plan will be completed by January 2020 and, by March 2020, it is expected that public consultation on the draft plan will be underway. The Local Plan itself is not expected to be adopted until Summer 2022.</p>	<p>and Assistant Director, Planning and Regulatory Services</p>	<p>LDS timetable</p>
<p><b>EU Exit</b></p> <p>A Deal or No-Deal EU Exit is expected to have an impact on Ashfield residents and businesses as well as on the Council's services. The Council will continue to be required to participate and actively engage with the Nottinghamshire Local Resilience Forum. 'Rising Tide' monitoring and impact reports will continue to be presented to CLT and to Cabinet/Council (if required) to outline the Council's response and support interventions.</p>	<p>Director of Resources &amp; Business Transformation</p>	<p>Ongoing</p>

**The review of the Council's governance arrangements demonstrates that these are fit for purpose but to ensure continuous improvement areas have been identified which require further work.**

**We propose over the coming year as set out above to further enhance the Council's governance arrangements and will monitor their implementation as part of our annual review.**



**Signed**

**Date 30 May 2019**

**Robert Mitchell, Chief Executive**



**Signed**

**Date 30 May 2019**

**Councillor Jason Zadrozny, Leader of the Council**

# Appendix 1 – The Governance Framework and Review of Effectiveness

## Putting the Principles into Effect

	Principle	How Does the Council Achieve This
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<p>The Council set out its values in the Corporate Plan 2016-2019 which was refreshed during 2018, and these are:</p> <ul style="list-style-type: none"> <li>• Enterprising, Ambitious and Innovative</li> <li>• Community and Customer Focused, Putting People First</li> <li>• Positive, Proactive and Successful</li> <li>• Collaborative</li> <li>• Transparent and Accountable</li> </ul> <p>In the Corporate Plan, the Council has also set out its commitment to residents, employees and Councillors.</p> <p>The Council has identified the following priorities:</p> <ul style="list-style-type: none"> <li>• Health and Wellbeing</li> <li>• Housing</li> <li>• Place and Economic Growth</li> <li>• Communities and Environment</li> <li>• Organisational Improvement</li> </ul> <p>The programmes set out in the Corporate Plan reflect these values and the Council’s Budget and Performance frameworks monitor how the Council performs against them.</p>

Councillors and Officers are both guided by codes of conduct which have been agreed by Council. The Officer Code was updated in 2017 and has been well communicated and understood throughout the organisation.

The Member Code is based upon the Nolan Principles and was updated in 2017. The Council's Standards and Personnel Appeals Committee takes an active lead role in upholding standards and investigating any complaints made against Members. The Committee has completed its 2018/2019 work plan which included reviewing the Members' DBS Checks Policy. A significant number of complaints were received by the Monitoring Officer during 2017/2018 relating to Selston Parish Councillors. The Monitoring Officer continues to support the Parish to ensure good governance is maintained at the Parish. A number of complaints have been received during the year in relation to District Councillors which have been considered in accordance with the complaints process. The Committee at its meeting on 18 March 2019 considered the Committee on Standards in Public Life report which was recently published and the 2019/20 work plan will include a piece of work to consider the report in detail including potential implementation of the best practice recommendations.

Members and Officers are required to complete Register of Interests forms and to disclose gifts and hospitality. Members and Officers are reminded about this requirement at least annually.

The Chief Executive, his Corporate Leadership Team, and senior officers continually lead by example and promote the Council's priorities and values. The Chief Executive personally addresses colleagues on key matters such as budgets and key organisational change issues. The Chief Executive speaks to senior and middle managers as part of the Extended Leadership Team, allowing two way dialogue on all key issues. Following the Employee Survey carried out in 2017, a number of cross-Council improvement projects are being undertaken to further improve employee satisfaction levels; focused on 'Employer of Choice', 'Working Together as one Council' and 'Personal/Team Development'. Outcomes and actions are being endorsed and supported by CLT and ELT including, for example, review of pay and benefits package; implementation of an ADC careers website; embedding of employee appraisals and team meetings throughout all areas and enhanced communication of employee benefits.

The Constitution is regularly updated and a review is carried out annually.

A suite of Anti-Fraud and Corruption Policies and Procedures are in place which are reviewed bi-annually. A "Governance" hub is available on the intranet and the Council's website which contains links to these policies and a wider range of governance documents, such as the Constitution. The Anti-Fraud and Corruption Officer Working

		<p>Group with clear terms of reference meets quarterly to oversee the Council's approach to fraud and corruption and report to CLT and Audit Committee. The Council's Whistleblowing Policy is reviewed annually and the Audit Committee and the Standards and Personnel Appeals Committee receive reports regarding the way complaints received under the policy have been dealt with.</p> <p>The Council has adopted a Modern Slavery and Human Trafficking Transparency Statement and Policy Statement. At its meeting in November 2019, the Council agreed to adopt the Co-operative Party's Charter against Modern Slavery ensuring that the Council's procurement practices do not support slavery. A number of Council services are provided externally and these are reviewed with strong partner engagement and contract management.</p> <p>Each of the statutory officers is able to operate with the appropriate independence; the organisational culture respects and supports their integrity and provides the staffing arrangements to support their work.</p> <p>A Member/Officer Protocol informs the relationship between Officers and Members.</p>
B	Ensuring openness and comprehensive stakeholder engagement	<p>The Council operates in an open and transparent way, and takes the vast majority of its key decisions in public meetings at Council, Cabinet and Committees. The Constitution encourages debate around key decisions and Council meetings include the scope for questions from Councillors and members of the public.</p> <p>The Council consults widely with internal and external stakeholders on key policy changes in accordance with its agreed policies. The Council continues to increase the use it makes of new media channels such as Facebook and Twitter. The State of Ashfield Debate, which was held in September 2018, was streamed on Facebook Live, so too was the Crime and Disorder Scrutiny meeting in March 2019.</p> <p>The Council has a well-developed approach to working with partners to achieve Corporate Plan outcomes. Co-location with the DWP and police partners has provided a positive impact leading to better ways of dealing with complex cases.</p> <p>A wide variety of communication methods are used to seek the views of different stakeholders. The Council's magazine "Ashfield Matters" is produced three times a year, and this is backed up by regular Citizens' Panel meetings which allows residents to discuss key policy issues with senior Council managers. During 2018 the Citizens panel 2018 discussed communications approaches, King and Miller/ Kingfisher Project, digital transformation and community safety. The Citizens Summit in November was broadcast through Facebook live.</p>



		<p>The Council continues to develop its use of social media channels such as Facebook and Twitter, to promote Council campaigns, provide information to residents, deal with customer enquiries and engage with local communities.</p> <p>Tenant Engagement remains a key method of communicating with tenants and the STAR survey (tenant satisfaction survey) was carried out during 2017. The STAR survey is a set of standardised questions used as a nationwide benchmark of all social housing providers. The survey undertaken in April 2016 is valid for up to 3 years. The Council achieved an overall tenant satisfaction result of 95.6% which places it in the upper quartile of tenant satisfaction nationally. The Council is also a member of the Tenant Participation Advisory Service (TPAS) which is the national body for tenant participation.</p> <p>Senior Managers continue to meet with the Trade Unions on a regular basis to actively engage and consult on employee related issues.</p> <p>The Place Enhancement Programme continues to ways to improve the public perception of the District and promote the area. As part of this Programme, the Ashfield Place Board, which is independently chaired by a local business leader, meets regularly. The Board was responsible for creating and launching the “Discover Ashfield” brand.</p> <p>Engagement with the Youth Council continues to take place including during Local Democracy Week in October 2018 when the Chairman of Overview and Scrutiny Committee attended to speak to the Group.</p>
C	<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<p>The Corporate Plan sets out clearly the outcomes to which the Council is committed. It continually checks the deliverability of these outcomes against the available resources and for this purpose both the Corporate Plan and the Medium Term Financial Plan are reviewed.</p> <p>The Council’s performance indicators and its Corporate Scorecard and Place Scorecard are considered regularly by senior management, Overview and Scrutiny Committee and Cabinet.</p> <p>Comprehensive and regular dialogue, on priorities, performance and financial planning take place between the Cabinet and the Corporate Leadership Team (CLT), with the result that the Council is able to shape its ambitions around the resources available to it, and its partners. Long term impacts of decisions are forecast using the Council’s Weighted Benefit Model for individual projects, and the Medium Term Financial Strategy for the whole of the Council’s services.</p>

		<p>The Council's Corporate and Fraud Risks are identified and recorded in registers and regularly monitored through CLT, Cabinet and Audit Committee. The Council's Corporate Risk Strategy was approved by the Cabinet in June 2018; as part of this strategy refresh, the Council level of its appetite to risk.</p> <p>The Capital Accounting audit carried out this year produced a comprehensive assurance rating.</p>
D	<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>The Council's interventions which aim to achieve its Corporate Plan objectives are planned through a number of Programme Boards or are monitored as a regular agenda item at directorate management team meetings. The current programme boards are:-</p> <ul style="list-style-type: none"> <li>• Regeneration</li> <li>• Commercial Investment Working Group</li> <li>• Digital and Service Transformation</li> <li>• Place</li> <li>• Health and Well Being</li> <li>• Efficiency (assets, procurement and restructures)</li> </ul> <p>Where relevant, Project Boards sit underneath these boards, working specifically on key projects.</p> <p>The programme boards consider the merits of a range of projects for achieving the aims of the Corporate Plan. They employ the Council's Weighted Benefit Model to assess the impact against key priorities, and the affordability of the intervention. Activity within the boards is now being prioritised in order to sharpen its focus. The Corporate Leadership Team considers the priority order for new projects, and their affordability in the context of the Medium Term Financial Strategy.</p>
E	<p>Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>	<p>The Leader and Chief Executive have clearly defined roles. Regular meetings between senior managers and portfolio holders allow for timely discussion of emerging policies and issues, and overviews of strategic developments such as the budget and MTFS.</p> <p>The Chief Executive meets opposition group leaders on a monthly basis.</p> <p>Comprehensive training programmes are in place for officers and Members; this Learning and Development programme is shared between Ashfield and Mansfield as part of the Human Resources Shared Service. Working</p>

		<p>between the two organisations gives valuable insights into different approaches to organisational management and development.</p> <p>The Members' Development Strategy was approved in 2017. Mandatory training has been identified and incorporated into the Code of Conduct. Mandatory training and attendance at meetings is now linked to remuneration. A Member Induction programme has been developed for after the May 2019 Distict Elections to ensure new and returning Members are well equipped for their roles as Councillors.</p> <p>The Council has a People Strategy in place and is actively working to develop officers as part of the Leadership Competency Framework (integrated into PDRs and recruitment).</p> <p>The digital and service transformation programme was formally established in April 2018 governed by a Digital and Service Transformation Board which meets monthly. Progress is being made through the implementation of early IT investments in our core payment solution, finance upgrade, and agile working solutions in housing service. Further transformation investments have been approved for housing repairs. Meanwhile, a significant element of the overarching business case is now in place, including consideration of key core elements of additional spend such as corporate customer portal, integrations with line of business systems and additional hardware and devices, offset by expected improvements to customer service, productivity and ability for residents to self-serve thereby reducing demand levels. The business case will be finalised for future Cabinet consideration in July 2019. The transformation agenda is supported by cross-organisational engagement with our "digi-champions" who have been involved in the development of the business case, and who are engaged with on a regular basis regarding improvement opportunity and current projects. Customer segmentation of our residents continues to inform the programme engagement plan and targeted approaches, which is continually reviewed and aligned with digital take up from current implementations.</p>
F	<p>Managing risks and performance through robust internal control and strong public financial management</p>	<p>The Council's Corporate Risk Register is regularly updated and considered by Cabinet and the Audit Committee. The Anti-Fraud and Corruption Working Group will monitor the Fraud Risk Register quarterly and reports to the Audit Committee annually.</p> <p>Risk Management informs service planning and project planning and is a specific consideration when new capital projects are being developed. The Corporate Risk Register is aligned to the Corporate Plan and its priorities. The Corporate Risk Register was audited during the year and have attracted a reasonable assurance rating.</p>

		<p>The Council has well-developed Emergency Planning and procedures and contributes to all regional training events. Each service has an up to date Business Continuity Plan and a Critical Function Plan (if appropriate). The recent Health and Safety Audit gave a comprehensive assurance rating.</p> <p>The Council has a mature performance management system and reporting, developed over a number of years and reflecting all of the Council's key performance areas. This is summarised in a Corporate Scorecard which is scrutinised quarterly. Data accuracy is regularly audited.</p> <p>The Council has a good track record of setting robust budgets and spending within the approved budget. The Council's finances have been guided by a well-developed and communicated MTFs for several years. This MTFs is informed by regional and national expertise and the latest iteration is informed by resource modelling from Local Government Futures (LG Futures). By setting and implementing annual savings plans, the Council has been able to consistently reduce its net budget. The Council has achieved unqualified accounts and a positive Value For Money assessment throughout this period.</p> <p>The Commercial Investment Plan and Capital Strategy which includes due diligence and risk mitigation processes was approved at Cabinet and Council in February and March 2019 respectively.</p> <p>Internal Control is achieved by a wide range of processes working successfully, and CMAP's assessment of internal control can be found earlier in this document. The Council's Data Management arrangements are updated regularly in line with Government guidelines and best practice and these are subject to regular detailed audits. Implementation of GDPR was successfully managed through the Project Management Framework and continued to be developed in line with new guidance and advice from the Information Commissioner.</p>
G	<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<p>The Council's decision making is transparent; the Forward Plan of Key Decisions is accessible and is reviewed on a weekly basis by CLT. Decisions are readily available through the Council's web site on the user-friendly "modern.gov" system.</p> <p>The budget and performance are subject to reports at least quarterly.</p> <p>The Council's Pay Policy Statement and Gender Pay Gap have been published.</p> <p>The Annual Governance Statement and Corporate Assurance Checklist are updated annually.</p>

		<p>Audit recommendations are owned by management and are largely acted upon in a timely manner. There are a number of processes in place for monitoring recommendations including through CMAP reminders, reports through CLT and Performance Boards; some recommendations are also monitored via the Council's performance management system (Pentana).</p>
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