

ANNUAL GOVERNANCE STATEMENT – 2021/2022

Scope of Responsibility

Blaby District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Blaby District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

Blaby District Council has approved a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the authority's code is on our web-site or can be obtained from the Finance Division at the Council Offices in Narborough. This statement explains how Blaby District Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

Significant Events

Covid-19 Pandemic and Recovery

The Council started to experience the impacts of the pandemic in late 2019/20 year, however this escalated during 2020/21 and continued during 2021/22. There was a requirement to ensure governance arrangements were appropriate given the changed manner of working and to continue to respond to the demands of our community.

Measures taken by the Council included:

- Ability for office based staff to work remotely was supported with further investment into IT equipment
- Member meetings were held through a combination of virtual and face to face meetings
- The Community Hub continued to provide direct support to the most vulnerable residents and support continued to assist voluntary organisations to support our residents and provide emergency funding where necessary (i.e. food banks)
- Ensuring housing accommodation was provided for the homeless
- Continuing our work through the Business Hub to support businesses and administer the governments business grants

Throughout the year the Council have continued to support our community through the recovery from the pandemic.

Our methods of working have developed into a hybrid of a combination of remote and face to face working and governance arrangements continued to be in place with officers and members communicating through virtual means in addition to face to face contact where required.

The Council's ability to work in partnership has been evident throughout with enhanced engagement with partners through the Leicester, Leicestershire & Rutland Local Resilience Forum and this has continued as we moved into the recovery phase.

The impact of the pandemic has been significant with regard to both the workload of officers and the range of services that the Council has been required to provide. The easing of restrictions during the 2021/22 year allowed some return to normality, however officers continued to support our communities through a range of initiatives.

Further reference is made within this document regarding measures specifically taken relating to the pandemic where appropriate.

Emergency Situation relating to Huncote Leisure Centre Site

In November 2021 during routine work to install landfill gas mitigation equipment contractors found elevated levels of landfill gas onsite. As a result, a decision was taken to close the site as a precautionary measure.

An emergency situation was declared by Blaby District Council and the situation has been ongoing since that date.

Measures taken by the Council have included:

- Closure of the site until levels of landfill gas emission have been reduced and further equipment installed to allow extraction and venting of the emissions in the longer term.
- Continued communication with local residents, the Parish Council, partners and users of the site to ensure understanding and compliance with the site closure.
- Taking the decision to provide a sum of £500,000 from the General Fund balances for any works necessary to make the site safe. An additional £100,000 was added to this in April 22.
- Commissioning emergency works to reduce emission levels and further works to ensure continued extraction and venting.

As at the end of March 2022 the site remained closed until the remaining works necessary are carried out.

Emergency Situation Ukraine Crisis & UK Support Programme

With the Russian invasion of the Ukraine in February 2022 potential support measures offered by the UK began to be released during March 2022. Blaby responded to this engaging with partners through the Leicester, Leicestershire & Rutland Local Resilience Forum to put plans in place to support the UK schemes. The operation of which spans into the 2022/23 year and will be covered in more detail in future governance statements.

The purpose of the governance framework

The governance framework comprises the systems, processes, 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 achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The systems of internal control are a significant part of that framework and are designed to manage risk to a reasonable level. They 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 systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of Blaby District 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 Blaby District Council for the year ended 31st March 2022 and will continue to be in place up to the date of approval of the Statement of Accounts.

The Governance Framework

The Authority's vision is set out in the Blaby District Plan which was developed with officers, Members and stakeholders in the district. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes and behaviours required to deliver good governance to all.

Communicating the Authority's Vision

The Blaby District Plan was adopted by Council on the 19th January 2021 and has set our Vision, Values and Priorities for the District spanning 2021-2024. Our priorities are grouped under the three key themes based on the District being "a great place to live, work and visit".

This document encompasses our ambitions and, with partners, how we will deliver these to the community. It recognises the need for actions and support that is required to aid the recovery of our district following the pandemic. The Blaby Plan comprises of our Corporate Plan, our Medium Term Financial Strategy (MTFS) and our People Strategy. It is not just a list of things we want to achieve but also details how we have planned all our resources, both financial and staffing to deliver these.

Alongside the new Blaby District Plan, priorities for the People Strategy and MTFS have been developed. An updated MTFS was produced alongside the annual budget setting process to ensure attention was drawn to the possible financial risk and impact associated with the changes to Business Rates and the Fair Funding Review.

Translating the vision into objectives for the authority and its partnerships

The Council's objectives reflect the overall vision and are detailed in a series of critical activities which are regularly planned. It is recognised that in some areas it is not always evident how these form part of individual goals for staff and this is an area of improvement through enhancement of the staff PDA process and linkages into the vision and the Blaby District Plan and development of the Performance Framework. The following section lists the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government as follows:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council has adopted the national Code of Conduct for Members supported by the Audit and Standards Committee which monitors issues in relation to standards of behaviour. The Audit Committee and the Standards Committee were brought together as one Committee in May 2019. The Code of Conduct for Members was reviewed in Oct/Nov 2021 and approved by Council in December 2021 and will be adopted as of 1st April 2022.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council's Constitution which provides a comprehensive framework for the management of the authority's business. This is supported by a formal Scheme of Delegation, based on a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members. The Cabinet Executive has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive "Members Roles and Responsibilities" paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities.

Council policies are produced in accordance with the principles set out in the Constitution and recommended for approval following review by the Senior Leadership Team. Decision making which falls within the policy and budgetary framework rests with the Cabinet Executive whilst those decisions falling outside the framework are reserved to full Council. The call-in procedure enables the Scrutiny Commission to review decisions made by the Cabinet Executive. Day to day decision making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers (which is based on a delegation by exception principle) and in accordance with the Financial Regulations. These arrangements all contribute to the economic, efficient and effective operation of the Council. The whole suite of standing orders, financial regulations and scheme of delegation are reviewed and updated as required through regular reports to Council.

Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The “Monitoring Officer” function was carried out by the Corporate Services Group Manager during the year up until the 31st October, at which time the Corporate Services Manager post became vacant. For the remainder of the year the Democratic Services, Scrutiny and Governance Manager, who has responsibility for legal matters, was appointed as the Monitoring Officer. The Monitoring Officer position reported to the post holder of the Chief Executive position throughout the year.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The “Head of Paid Service” role is undertaken by the Council’s Chief Executive. There was a change in Chief Executive during the year, however arrangements were made for the Strategic Director (S151 Officer) to hold the position of Chief Executive for an interim period until the appointment of a new Chief Executive in November 21. The Strategic Director (Section 151 Officer) has responsibility for all HR matters and this position reports to the Chief Executive position.

Undertaking the core functions of an Audit Committee, as identified in CIPFA’s Audit Committees – Practical Guidance for Local Authorities

The Council has an established Audit Committee (the Audit and Standards Committee) whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer, Strategic Finance Manager and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit Committee should he/she feel it appropriate to do so.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (the Section 151 Officer and the Monitoring Officer) have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Strategic Finance Manager and the Council Tax, Income & Debt Manager who facilitate the management and mitigation of risk and the Audit Manager who provides assurance on matters of internal financial control. The Human Resources function, through the use of Performance Development Appraisals, assesses (and provides a means of improving) competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

Whistle-blowing and receiving and investigating complaints from the public

The Council has in place and promotes appropriate whistle blowing policies and procedures which are regularly reviewed and updated where required. A revised

Whistle Blowing (Raising Concerns) policy was reviewed and updated in September 2021. Staff are aware of the Whistle Blowing policy and it has been highlighted in Blaby Matters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from its customers and the residents of the District. Regular information relating to performance in respect of complaints (and compliments) is presented to the Senior Leadership Team.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFs) and how we support our officers to deliver the plan within our People Strategy. Objectives are set that link with the priorities and these are monitored through the year by the Senior Leadership Team within the Project Management reporting structure. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services.

We have an active voluntary forum through which the Authority provides support to those in our community whilst engaging with them to understand how we can improve our services. Engagement with our voluntary community and new/temporary volunteers increased during the pandemic and we have taken measure to ensure we retain connection with these groups.

Customer satisfaction with services is monitored through local and service specific surveys, and electronic means to provide feedback on a range of activities and issues.

The Council produces regular e-newsletters for residents and businesses within the District which, in addition to providing information and advice, seeks to receive the views of the residents on a wide range of issues. During the pandemic the Council moved to electronic means of communication with more regular updates to our residents and this has continued through 2021/22. Targeted service priority consultation exercises are undertaken to inform the future allocation of resources. The Council carries out a bi-annual Residents Survey which includes consultation on potential Council Tax increases and satisfaction levels for a range of Council services. This was carried out in January of this year with 1804 responses received. In January 2020 a consultation was carried out asking for resident's views on the priorities to be included within the new Blaby District Plan. 756 responses were received with over 80% of residents agreeing with the proposed priorities. These results went on to inform the Blaby District Plan 2021/2024.

The Council works closely with its 24 Parish Councils. Officers attend a Parish Liaison Group, which has representatives from all other districts and Leicestershire County Council. We regularly send information through to our parishes in relation to funding opportunities.

The Council has established effective Business Breakfast meetings and holds regular meetings with the head teachers of the Academies in the district. It has a Youth Council which has played an active role, this year, in raising awareness about the green agenda. They have also engaged with our private sector partners taking part in a

Green Agenda project at Glen Parva Prison and are looking to share their learning wider within their school environment.

The Council has in recent years held a Youth Conference, which was an opportunity for young people to have their say with elected members regarding issues most important to them. The event also provides an insight into what the Youth Council does, the opportunity to take part in a debate and make decisions about youth grants. This year this event could not go ahead but was held in June 22.

Engagement with some of our academies and primary schools in the district, working with them to explore career opportunities, commenced again during this year with a number of events spanning a range of sectors including, construction, tourism, logistics and hospitality.

In order to demonstrate its openness the Authority also publishes:

- A Forward Plan 28 days before the Cabinet Executive meets and provides:
 - a) The public with details of all key, non key and budget and policy framework decisions to be taken by Members over a minimum period of four months ahead.
 - a) An aide-memoire for the Council's informal board of senior Members and officers to identify future issues for further discussion.
 - b) The Scrutiny Commission with information to consider areas where it may wish to seek involvement in policy development.
- Its pay policy
- Council, Cabinet and Committee Reports
- Payments over £250

In order to keep the public informed the Authority proactively prepares appropriate press releases. The Council has an award winning website which is user friendly and well-designed and the frequent use of social media channels of communication have enabled the Council to reach more of our residents effectively.

Scrutiny of the Council's budget for 2021/22 took place over three meetings in January 2021. These meetings were open to all Members and attendance levels were high.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others. For those that deliver services to our

customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail. It therefore actively supports and encourages an “open book” approach wherever possible.

Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council has established and leads on a Staying Healthy Partnership which has set its own objectives and priorities to improve the health and well-being of the community. This includes locality specific areas for improvement which are linked to the Joint Strategic Needs Assessment (JSNA). These include increased awareness and diagnosis of dementia; initiatives regarding mental health, obesity and getting our residents more active as well as collectively looking at workplace health. The partnership includes representatives from the NHS, community safety and health providers. In 2022/23 we will be looking at developing a Community Health and Wellbeing Plan and this partnership will ensure the delivery of this plan by working closely with partners.

Social Prescribing is part of the NHS long-Term Plan to make personalised care business as usual across the health and care system. Social prescribing works for a wide range of people and issues, including people with one or more long term conditions, who need support with their mental health, who are lonely or isolated or who have complex social needs which affect their wellbeing. In Blaby we have a unique set up with our Primary Care Networks which sees Blaby District Council staff seconded into these roles. This arrangement continues for both the North Blaby PCN and the South Blaby and Lutterworth PCN until 31st March 2023. During 2021-2022 over 750 people were supported by the social prescribers.

The Council is a member of the Leicestershire Housing Services Partnership which is made up of local authorities, registered providers and third sector organisations who work to deliver a joint action plan aimed at improving outcomes. One of the positive outcomes from this group has been the success of the bids for the Rough Sleepers Initiative Programme and the Rough Sleepers Accommodation Programme which have helped to improve options for homeless households across the County at a time of increased homelessness presentations.

The Leicester, Leicestershire and Rutland Chief Housing Officers Group forms part of the Housing Services Partnership and is cognisant of the wider housing impacts and as a partnership are concentrating on:

- Understanding the housing impact of increase levels of household unemployment and financial instability
- Identifying and then meeting (wherever possible) the wider support and complex needs of housing customers

- Effectively supporting staff to maintain positive mental wellbeing and health as well as identifying appropriate training and career opportunities
- Working in partnership with key agencies to improve the housing offer to customers e.g. health, probation, adult social care
- Working collectively to address increased levels of homelessness and maximising opportunities for funding to deliver appropriate accommodation
- Supporting initiatives such as the Staying Healthy partnership by enabling safe and healthy homes and preventing homelessness wherever possible

The Chief Housing Officers Group has continued to work well with partners and in particular in relation to the increase in homelessness presentations which have remained high across the County but also in relation to other key housing areas including, Children and Young People, Community Safety, Strategic Housing as well as being reactive to emergency occurrences e.g. accommodating families from the Afghanistan resettlement schemes. Blaby has also lead on initiatives such as the bids for the Rough Sleepers Accommodation Programme which have been successful in providing self-contained accommodation for Rough Sleepers or those threatened with Rough Sleeping.

The Council leads on the Lightbulb programme; a transformational project designed to improve and transform housing related support services across the County as well as improving hospital discharge services. Lightbulb has won 3 major accolades: -

- Winning the Local Government Chronicle award for best Public/Public Partnership
- Named the best collaborative working initiative by the Association for Public Service Excellence
- Highly commended at the Home Improvement Agency Awards

In 2021/22 the average time taken increased to 49 weeks this was due to the continued complications with obtaining materials and the availability of contractors. We will monitor this during the coming year.

In 2021/22, there was 2,276 referrals made to the Housing Support Coordinators. This resulted in 6,965 onward referrals of which 3,584 were for minor or major adaptations as well as for things to make their homes safer, such as smoke alarms. From the Housing MOTs services were delivered at an average of 36 days during the pandemic, despite all the barriers, which is below the 42 day average of service delivery pre Lightbulb.

Also, in 2021/22 there was 27 applications to the Home Support Grant and 22 applications to the Discharge Grant both of which were introduced the previous year. We also commenced work on the Safespaces Project which supports individuals whose property is hoarded and the Home Gadgets projects which sees technology supplied to help individuals with Dementia or health conditions remain as independent as possible in their own home. Lightbulb continues to seek ways of improving our resident's wellbeing.

The Council formally merged the Community Safety Partnership (CSP) of both Blaby and Hinckley and Bosworth in April 2016. Together the CSP's across Leicestershire work with the Police, Fire, Probation Services, County Council and Clinical Commissioning Groups to develop and implement strategies to protect local communities from crime and to help people feel safe. Local approaches to deal with issues including antisocial behaviour, drug or alcohol misuse and re-offending are also developed through the joint working.

The Council has over recent years invested considerably to promote the economic development of the district. We have, this year seen the continuation of how our proactive approach to good business development in our district and working in partnership with local business has generated growth, with the continued development and opening of sites such Everards Meadows and the Fosse West development.

During the pandemic the Council set up a Business Hub to support local businesses. This is a support mechanism which continues to provide support during the recovery phase and beyond. Alongside this, the Council's Business Rate Team have distributed over £6.5m in Business Support Grants during this year.

The Council leads a Building Control Partnership on behalf of five other local authorities including Harborough, Oadby & Wigston, Hinckley & Bosworth, Melton and Rutland County Council. A governance structure has been set up which includes a Management Board that meets quarterly to review performance of the service, income generation and make decisions on future priorities. By operating this service through a shared service agreement all the local authorities are able to share the costs of key posts within the structure and work together on Marketing and Communications. In November 2021 a decision was made by Council to operate the Building Control Partnership under delegated authority and arrangements have been put in place to operate under this structure from April 2022.

Through a delegation of statutory responsibility, Blaby provides a Local Land Charge service for both Hinckley & Bosworth Borough Council and Oadby & Wigston Borough Council. Through this arrangement Blaby maintains local land charges registers, processes official searches and provides access to the local land charges register under the Environmental Information Regulations for personal searches. This arrangement has provided resilience in service across all authorities the service being highly commended at the Local Land Charges awards 2019 and shortlisted by Land Data in 2021 for Team of the Year.

The Council continues to work closely with the academies in our District and meetings cover a wide breadth of matters including; creating work place opportunities in Blaby District and gaining benefit from developments under construction in our district; work place health initiatives and creating linkages in our community to promote community safety. This meeting has also facilitated closer relationships being developed with the academies and both the police, local community groups and officers from children's support services at Leicestershire County Council.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Blaby District Plan sets out our ambitions for the Council and sits alongside our Medium Term Financial Strategy and our People Strategy and these detail how we have planned all our resources, both financial and staffing to deliver these.

The Council's service and financial planning process ensures that resource re-direction and allocation is aligned to the priorities emanating from the Blaby District Plan. The Council has in place Contract Standing Orders and Financial Regulations designed to ensure that the Council achieves value for money in discharging its procurement requirements.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

Development and maintenance of the system is undertaken by the Senior Leadership Team within the Council and its effectiveness is reviewed by either external or internal audit. In particular, the arrangements include:

- The Medium Term Financial Strategy is now part of the Blaby District Plan but includes a Financial Summary spanning future years which is revised annually
- A 5 Year Capital Programme including asset investment
- An effective system of budgetary control
- The preparation and review of regular and timely financial reports which indicate financial performance against the forecasts
- Clearly defined capital appraisal, funding and expenditure controls
- Formal project management disciplines where appropriate
- Performance management reports

The Council continues to embed a "project board" approach to implementing change and transformation. A focus has been placed on project management and the regular monitoring of project delivery with the SLT meeting monthly to review progress. Ultimately this is led by the Chief Executive and will continue to ensure focus is placed on continuing improvement and learning. Members are fully engaged in this process with both a Cabinet Executive portfolio holder having specific responsibility for driving and monitoring the change process. The Scrutiny Commission, through its performance working group are actively involved in examining the detail of processes and change reviews.

Principle E – Developing the entity's capacity including the capability of its leadership and the individuals within it.

Members who joined the Council in 2019/20 underwent a comprehensive induction programme and this has continued to be built upon throughout the member's term, with various training sessions to ensure they are fully equipped to fulfil their roles. A number of prospective member events were delivered to assist and encourage members of the public to stand for district and parish seats and a full induction

programme has been developed to deliver to new Members following the district elections which is built upon in preparation for future use.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to invest in development for officers and managers. All people managers were trained in supporting staff wellbeing and manager participation in HR workshops continued virtually and some face to face training has resumed. During the year 4 apprenticeships were supported with two degree level apprenticeships continuing into the next year. Two post graduate qualifications have been supported for professional council officers.

The Council delivers specific Member training around planning, local government finance, good governance and the risks and responsibilities that go with their individual roles. We undertake a full induction programme for new Members and those starting mid-term.

The Council continues to adhere to the principles of the East Midlands Councils Elected Member Development Charter. The Charter provides a set of national standards for authorities to achieve, ensuring elected Members are equipped to have the knowledge and skills to be effective community leaders.

Principle F – Managing risks and performance through robust internal control and strong public management

The Council has in place an agreed clear and coherent framework for managing and monitoring performance. However, this is an area for which improvements are planned in 2022/23 to increase frequency of reporting.

A Six Monthly Performance Report is presented to Council which provides a summary of progress and performance against the priorities within the Blaby District Plan. This report encompasses a whole Council approach focused on the three priorities; A Place to Live, A Place to Work, A Place to Visit, and it is recognised that all services contribute to the successful delivery of the Council's Plan.

It also includes a selection of statutory indicators and the most up to date comparable data for all English District Councils. This report is also presented at Scrutiny Commission meetings. The responsibility for Performance Management changed in year from the Leader to the Portfolio Holder for Finance, Assets & Performance. All Cabinet members provide challenge through our reporting channels.

The Council uses the InPhase system to record performance indicators and officers have access to the InPhase performance data in order that monitoring can be carried out across services. This is in the process of being reviewed as to how this supports the measurement of performance throughout the Council.

The Council has in place a Risk Management Policy and Strategy to ensure that the management of risk, is embedded within the organisation at both the strategic and operational level with both Members and senior officers having specific roles and responsibilities identified. A Corporate Risk Management Group, headed by the Chief Executive and supported by the performance team provides leadership, whilst the post of Strategic Finance Manager has specific responsibility to co-ordinate the management of risk across the Council. Both Members and officers are trained so that they are equipped to manage risk in a way appropriate to their duties. Risk assessments are a pre-requisite for all capital project appraisals and form an integral element of Project Plans. The Council utilises a software package (InPhase) to assist with the management and monitoring of both performance and risks. This includes a risk tracking facility to continuously monitor the Council's corporate exposure to areas classified as high risk. Members of the Audit Committee receive regular risk monitoring reports.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Ensuring the Authority's Financial Management Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government

The CIPFA Statement was originally published in March 2009 in respect of the Role of the Chief Financial Officer in public services as a whole and was considered by the Council's Cabinet Executive in July of that year. The following year a further version was produced which was specifically directed towards Chief Financial Officers serving in local government. The five underlying principles however remained the same. The Council's financial management arrangements conform with the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

During this year, the Strategic Director (S151 Officer) held the position of Chief Executive for an interim period. During this time Council approved an interim arrangement for the S151 Officer of Charnwood BC to act as S151 Officer for Blaby DC during this time.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the Council's Audit and Standards Committee on all matters appertaining to audit outcomes.

Review of Effectiveness

Blaby District Council undertakes, on an annual basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by a) the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, b) the Audit Manager's annual report and c) by comments made by the external auditors and other review agencies and inspectorates.

Part of this process is to carry out an assurance review which identifies examples of assurances in respect of those governance arrangements which are key to mitigate against significant risks to the achievement of the corporate objectives of the Council. Whilst a number of actions were identified through this process they don't relate specifically to governance matters, but illustrate the Council's commitment to continuous improvement. The actions are listed in the table below for completeness. The comprehensive detail of the assurance review completed can be found as an appendix to the Annual Governance Report considered by Cabinet Executive in July 2022.

Core Principal 1: A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principle 1 : Behaving with Integrity

Action – To develop the PDA process further to ensure all staff receive regular appraisals that are documented.

Supporting Principle 2 : Demonstrating strong commitment to ethical values

Action – Document the 'Blaby Way' to promote the values and culture of Blaby DC.

Action – Increase Member oversight of partnerships.

Core Principal B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 2 : Engaging comprehensively with institutional

Action – Build on Communication strength to engage with stakeholders.

Supporting Principle 3 : Engaging stakeholders effectively, including individual citizens and service users

Action – Build on Communication strength to be proactive in the promotion of the Council.

Action – Build on Communication strength to engage with stakeholders.

Core Principal C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Supporting Principle 1 : Defining outcomes

Action – Detailed risk management process to continue to be embedded with focus on risks that allow SLT to manage the authority.

Supporting Principle 2 : Sustainable economic, social and environmental benefits

Action – Briefing for all members regarding Council finance incorporating Fair Funding and Business Rate Review outcomes to ensure awareness of future financial outlook.

Core Principal D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principle 2 : Planning interventions

Action – Corporate performance framework to be developed to give overall view of performance.

Core Principal E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principle 1 : Developing the entity's capacity

Action – HR Review, Development Plans developed and workforce development and retention initiatives to be considered given uplift in attrition rates.

Supporting Principle 2 : Developing the capability of the entity's leadership and other individuals

Action – To develop the PDA process further to ensure all staff receive regular appraisals that are documented.

Core Principal F : Managing risks and performance through robust internal control and strong public financial management

Supporting Principle 1 : Managing risk

Action – Continuation of imbedding lower level risk management system.

Action – Risk Management Strategy to be updated 22/23.

Supporting Principle 2 : Managing Performance

Action – Corporate performance framework to be developed to give overall view of performance.

Supporting Principle 3 : Robust internal control

Action – Continued training for Audit & Standards Committee members.

There were no actions from previous years that had not been addressed, however some actions will continue to be built upon in 2022/23.

Review of Compliance with Financial Management Code 2021/22

The Council carried out a review of compliance with the FM Code in this shadow year. It was considered by the Audit and Standards Committee in July and the action plan arising from the review approved by Cabinet Executive in September. The document has been made available to the public. Whilst the Authority has been found to be compliant with many aspects of the FM Code, there are a number of areas that are partially compliant and where improvements have been identified. These are listed in the table below:

CHAPTER 1 – The Responsibilities of the Chief Finance Officer and Leadership Team

A The leadership team is able to demonstrate that the services provided by the authority provide value for money.

Improvement - Review of efficiency savings arising from major corporate and service projects.

B Principle 3: The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

Improvement - Develop a financial training package for managers to provide them with the necessary skills to undertake their role effectively.

CHAPTER 2 – Governance and Financial Management Style

E. The financial management style of the authority supports financial sustainability

Improvement - Further development of capital expenditure plans. Understand the implications for future funding streams following completion of Government reviews of Business rates Retention, New Homes Bonus, and Fair Funding.

CHAPTER 3 – Medium to Long Term Financial Management

F. The authority has carried out a credible and transparent financial resilience assessment

Improvement - Consider options for independent resilience review, including Pixel, Local Government Association.

G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members

Improvement - Consider how longer term developments, e.g. Lubbesthorpe and Whetstone Garden Village, may impact on the MTFS.

I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans

Improvement - Wider involvement of SLT in development of the MTFS & Update the Asset Management Plan.

CHAPTER 5 – Stakeholder Engagement and Business Cases

L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.

Improvement - Consider wider consultation on the longer term MTFS and budget proposals.

M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

Improvement - Introduce post implementation review for the more significant capital projects; outcomes, timelines, budget.

CHAPTER 6 – Monitoring Performance

O. The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.

Improvement - Incorporate the reserves position within quarterly monitoring reports to Cabinet Executive and arrange for the aged debt analysis and write-offs to be reported through the new Performance Management System.

Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council's constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

It is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements where such cases fall outside the delegated power of other decision making bodies of the Council. There have been no issues arising during 2021/22 which have required the full Council to exercise its role.

The Constitution of the Council is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24th May 2016. Amendments to the Constitution are brought before Council throughout the year as part of the continuous review process and annually to ensure it is fit for purpose.

The Council formally reviews its Financial Regulations on a regular basis albeit on-going updates are implemented as part of the regular reviews of the Constitution.

Role of Cabinet Executive

The role of the Cabinet Executive is to receive, consider and approve the Annual Governance Statement and to monitor the implementation of any Action Plans arising out of the review of its governance arrangements.

Role of Audit Committee

A formal Audit Committee, constituted on the basis of the guidance issued by the Chartered Institute of Public Finance, including the adoption of a "Statement of Purpose", was established in 2008.

The Audit Committee (The Audit and Standards Committee) meets on a quarterly basis. It has responsibility for considering the findings of the annual review of the effectiveness of the internal audit function in addition to receiving regular monitoring reports from the Audit Manager. The annual external audit plan is also approved by the Audit Committee.

Role of Scrutiny Committee

The Council has a well established Scrutiny Commission supported by working panels who are assigned specific projects to be undertaken. The Commission can "call in" a decision which has been made by the Cabinet Executive but not yet implemented, to enable them to consider whether the decision is appropriate.

Risk Management

The Corporate Risk Group regularly reviews the Risk Management Strategy to ensure its continued relevance to the Council. The reviews also assess performance against the aims and objectives of the Risk Management Strategy.

The Strategic Finance Manager provides regular progress reports to the Corporate Risk Group and the Senior Leadership Team bringing to their attention any significant risks which have been identified. The Corporate Risk Group/Senior Leadership Team also:

- Reviews the Council's strategic/operational risk registers and associated action plans
- Ensures that the appropriate management action is taken to minimise/eliminate risk

Audit & Standards Committee review the Strategic Risk Register and mitigating actions regularly. They also have responsibility for reviewing and recommending the Risk Management Strategy at regular intervals.

Role of Internal Audit

Internal Audit is provided in accordance with the statutory responsibility under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. It is managed on a day to day basis by the Audit Manager who reports to the Strategic Director. There is however also an indirect reporting line to the Strategic Director (Section 151 Officer) in relation to matters of a technical or professional nature.

Internal Audit objectively examines, evaluates and reports on the adequacy of internal controls and governance as a contribution to the proper, economic and effective use of resources. During 2021/22 this responsibility was carried out following an approved risk based annual audit plan. The Audit Manager produces quarterly progress monitoring reports against the plan to the Audit & Standards Committee.

The internal reporting process for audit work requires a report of each audit to be submitted to the relevant Group/Corporate Manager and/or Service Manager. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by the relevant managers. The process also includes regular reviews of recommendations to ensure that they are acted upon. A summary of all audits carried out, including a grading rating which reflects the effectiveness of the controls in place and an analysis of the recommendations is submitted to each quarterly Audit & Standards Committee meeting.

The Public Sector Internal Audit Standards (PSIAS), introduced on 1 April 2013, and revised in April 2016 and again in 2017, require an external assessment of compliance with the Standards to be carried out at least once every five years.

The assessment was carried out in November 2020 and found that the internal audit function at Blaby District Council conforms with the PSIAS and there were no areas of

non-compliance identified. The final report was presented to the Audit & Standards Committee on 1st February 2021 along with an action plan containing minor action points which the Audit Manager is implementing to improve overall compliance with the Standards.

The Shared Service Audit Manager provides an independent opinion on the internal control environment to the Audit & Standards Committee which then feeds into the Annual Governance Statement process. For the 12 months ended 31 March 2021, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, the Audit Manager has formed the opinion that she is able to give **reasonable assurance** on the Council's overall internal control arrangements. To be consistent with our Internal Audit opinion definitions, this means that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the areas audited. This is a positive assurance opinion overall which will be detailed in the report of the Audit Manager's 'Internal Audit Annual Report 2021/2022' which will be presented to the Audit & Standards Committee on 25th July 2022.

All internal audit reports issued during 2021/22 were issued with either substantial or reasonable assurance opinions. A small number of high priority recommendations were made in respect of audit reviews undertaken. These relate to specific systems and/or service areas with the majority of these recommendations already implemented and others in progress. It is not therefore considered necessary to include them in the Annual Governance Statement.

Other Explicit Review/Assurance Mechanisms

The Corporate Services Group Manager (the "Monitoring Officer") has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24th May 2016.

Statements of Assurance are received from senior officers regarding internal control issues in line with the guidance set out in "Delivering Good Governance in Local Government".

In November 2021 the Council invited the LGA to carry out a Finance Health Check which gave a view of the robustness of the Council's financial arrangements. The report, received in December 2021, concluded that the Council is well managed financially and has consistently spent within its budget. The report went on to provide a number of recommendations which have been incorporated in an action plan, many points of which have already been actioned as part of the budget process in February 2021.

A Peer Review carried out by the LGA in 2015 described Blaby District Council as “a great council which is performing well with no major concerns. There are many examples of good services and projects with a strong focus on doing the right thing for Blaby’s residents and customers at all levels of the organisation.”

A further review was carried out in 2018 and was again very positive in terms of staff engagement, progress against our action plan and as excellent partners.

A further Peer Review was performed in March 2022 and was again very positive. The final report has now been received from the Peer Review and an action plan is being formulated to address the recommendations made. This will be presented for consideration by Council in July 2022.

Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Significant governance issues

Whilst there are no significant governance issues to report, nevertheless the Council continues to seek to enhance and strengthen our governance arrangements where improvements can be identified. We will monitor progress made as part of our next annual review.

Signed _____
Leader of the Council
July 2022

Signed _____
Chief Executive
July 2022