



Annual Governance Statement

2017

Covers the 2016/17 year

Draft statement as at 21 April. Text highlighted in blue means it's future information that I cannot yet add

1. Scope of responsibility

The Borough Council of King's Lynn and West Norfolk is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory 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 the above.

The Council has a Code of Corporate Governance in place which sets out how the Council intend to apply the principles of corporate governance, in accordance with 'Delivering Good Governance' within the Local Government CIPFA/ SOLACE Framework. A copy of the code is on our website at www.west-norfolk.gov.uk. The code was reviewed during 2014/15 and the update was approved by Council in March 2015.

This Annual Governance Statement explains how this Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare a statement.

2. The purpose of the governance framework

The governance framework comprises the systems, policies, procedures and operations by which the authority is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the authority to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to

- identify and prioritise the principal risks to the achievement of the Council's policies, agreed priorities and objectives
- evaluate the likelihood and potential impact of those risks being realised
- manage them efficiently, effectively and economically.

The governance framework has been in place at the Borough Council of King's Lynn and West Norfolk for the year ended 31 March 2017 and remains in place to date.

3. The governance framework

The Council's governance framework is made up of the many systems, policies, procedures and operations we have in place to do the following:

3.1 Publish our aims for local people and others who use our services

The Council publishes a Corporate Business Plan which sets out the broad framework for the Council's aims for the period covered by the plan. The Corporate Business Plan currently in place was agreed by Council in January 2016.

The plan outlines six priority aims, supported by 18 objectives in areas of key importance to the authority. The six priority aims within the new plan are

1. Provide important local services within our available resources
2. Drive local economic and housing growth
3. Work with our communities to ensure they remain clean and safe
4. Celebrate our local heritage and culture
5. Stand up for local interests within our region
6. Work with our partners on important services for the borough

The Corporate Business Plan is aligned with the Council's Financial Plan and both documents are available on the Council's website in order to be clear and transparent to local people and service users.

In March 2016 the Council published a new Local Development Scheme which provides information on the documents that make up the Council's Local Plan (in relation to Planning) and also provides a timetable for the Local Plan production and the Local Plan Review.

The scheme provides details of documents we intend to prepare over the period 2017-2019.

3.2 Review our aims and the implications on our governance arrangements

The Council has a Code of Corporate Governance in place, which sets out how the Council intends to apply the principles of corporate governance, in accordance with CIPFA/SOLACE guidance. The Code includes a chart to demonstrate the different parts of the framework and reflects the Council's current processes and procedures. The Code will be reviewed every three years to reflect any changes in the Council's governance framework and/or any revised guidance. The next review is due in the 2017/18 year.

Progress towards achieving the aims outlined in the Council's Corporate Business Plan was monitored through the Corporate Business Plan Monitoring Report which was collated quarterly during 2016/17. Updates at the end of quarters 2 and 4 were taken to the Corporate Performance Panel for review and progress checking. As part of collating and reviewing the monitoring report, the council's senior management team consider and review the aims, actions underway and progress made. The governance arrangements in place for the year under review were appropriate for delivery of our aims.

3.3 Measure the quality of our services, make sure we provide them in line with our aims and that they provide value for money

The Council has a Performance Management Framework which is, in effect, a summary of the key internal processes and components through which the Council sets, delivers, monitors and reports on its priorities and services. The Framework encompasses elements of strategy, finance, performance, people, risk management and reporting and accountability. The Framework describes how the Council measures and monitors the performance of our services and is available on the Council's website. The Framework was refreshed during the 2016/17 year to ensure it reflects current arrangements.

3.4 Define and document the roles and responsibilities of the executive, non-executive, scrutiny and officer functions

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that these are efficient, transparent and accountable to local people. This defines, amongst other things the roles of the Council, Cabinet, how scrutiny and overview is undertaken, the Scheme of Delegation, and the roles and

responsibilities of officers and members. The different elements of the Constitution are subject to periodic change either through national legislation or local decision. In the 2016/17 year, the Council's Scheme of Delegation was updated in May 2016 and January 2017.

Within the Constitution, full Council sets the overall budget and policy framework of the Council, while Cabinet makes decisions within this framework, and is held to account by the overview and scrutiny arrangements. Meetings are open to the public except where exempt or confidential matters are being disclosed. In addition, senior officers of the Council can make decisions under delegated authority. The Council publishes a Forward Decision List which contains details of key decisions to be made by the Council, its bodies and Executive Directors under their delegated powers.

Following work undertaken during the preceding two years, in April 2016 Council agreed changes to the scrutiny arrangements of the authority. Then changes were made to seek to make the roles and functions of the Council's policy development and scrutiny panels more effective, thereby enhancing the good governance of the Council. A particular anticipated outcome was for panels to seek to add value to the Council's aims and outcomes through review and development of policies / projects / initiatives at an earlier stage. Full details of the changes put in place are contained within the Cabinet report presented to the meeting on 5 April 2016; as an overview:

- The Cabinet Scrutiny Committee and Scrutiny and Overview Liaison Committee were abolished
- The Audit Committee was de-coupled from the Resources and Performance Panel and the responsibility for approving the annual Statement of Accounts and the Annual Governance Statement were transferred from Cabinet to the Audit Committee
- The Resources and Performance Panel was renamed as the Corporate Performance Panel and its terms of reference were extended, this now includes scrutiny of Cabinet decisions
- Cabinet, Council and Panels moved to a six-weekly cycle of meetings
- Changes were also made to
 - the Terms of Reference for all Panels
 - election of chair and vice chair for panels
 - the recording of meetings

All changes have been operating during the 2016/17 year. A member task group is due to meet for the first time in June 2017 and will undertake a review of the changes made. All changes made were fully defined and documented within the constitution documents.

3.5 Develop, communicate and embed codes of conduct which define the standards of behaviour for members and staff

The Council has in place key documents which communicate the standards of behaviour required of members and all council staff (officers). These include the

- Members Code of Conduct
- Register of Disclosable Pecuniary Interests
- Members Code of Good Practice for Planning
- Protocol for Member/Officer Relations
- Employee Handbook (includes employee code of conduct)
- Anti-Fraud and Anti-Corruption Strategy

- Whistleblowing Policy
- Fraud Response Plan
- Disciplinary / Grievance procedures
- ICT Asset Management Policy
- ICT Computer Usage Policy
- ICT Security Policy
- Data Quality Policy & Strategy
- ICT Corporate Email Policy
- ICT Corporate Internet Policy

The Anti-Fraud and Anti-Corruption Strategy and the Whistleblowing Policy have been updated during the 2016/17 year.

The five ICT related policies are reviewed annually and refreshed when appropriate to ensure they are in line with the latest ICT technology advancements and information security guidelines. Keeping information securely is vital for public confidence and the efficient conduct of business. The last actual updates were in 2015/16, the review in 2016/17 did not result in any updates being needed.

The Baseline Personnel Security Standard (a new requirement in 2014/15) is now standard practice within the Council's recruitment and appointment processes, to ensure that employees who access information held on the Public Services Network (PSN) meet a minimum baseline standard of security checks. It is a pre-appointment check which aims to ensure the Council employs people who are entitled to work in the UK and who have the honesty, integrity and values needed.

The Performance Management Framework also describes how staff performance, including conduct, is managed; this document has been refreshed during the 2016/17 year.

The Council also has a Harassment Procedure in place for staff, which demonstrates the belief that all employees have a right to be treated with dignity and respect, and that the Council will take steps to ensure this right is protected. All policies are available to all staff and Councillors via the Council's Intranet.

3.6 Review the effectiveness of the decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

Effective management is based on a framework of regular management information, financial regulations, standing orders and a structure of varying levels of responsibility, including arrangements for delegating decision making. The Council has all these elements in place, including those which meet 'The Openness of Local Government Bodies Regulations 2014', and we regularly review them to ensure they remain relevant and fit for purpose. Decisions are made in open, public meetings, or via the various delegation arrangements in place and all adhere to the policy position in place – for example, Planning decisions are taken with regard to the adopted Local Plan and all other relevant guidance.

The Council works in partnership at many different levels. Continued participation is reviewed regularly to ensure it remains effective. Decision making in partnerships is governed by the structure outlined within the constitution. As one example, the Norfolk Coast Partnership (a formal partnership with Great Yarmouth Borough Council, North Norfolk District Council, DEFRA and Norfolk County Council) has in place a 'Memorandum of Agreement' which was renewed in April 2015 and runs for 3 years. This outlines how decisions will be made within the partnership.

The Council has a Data Quality Policy and Strategy in place and available on its website. Having this in place shows that the Council understands the importance of data quality and is

committed to being consistent in its management of data quality within the organisation and in partnership with others. It also means that the Council ensures that the data produced adheres to the 7 principles of data quality. The Policy was reviewed, and the Strategy was refreshed during the 2016/17 year¹. Training is planned for the 2017/18 year for officers who collect data used for corporate performance measures to support the application of the strategy.

3.7 Ensure the framework for identifying and managing risks, and for developing counter-fraud and anti-corruption arrangements are effective and well-maintained

The Council has a Risk Management Policy and Strategy in place. The authority's risk appetite is formally recognised within the Policy, and the Strategy provides a means of escalating risks from service and project level to the Corporate Risk register if necessary. The Corporate Risk Register is reviewed regularly by the Council's Executive Directors and the Audit Committee receives reports on a half-yearly basis on the position of the register. During the 2016/17 year the responsibility for collation of the Risk Register on behalf of the Senior Management Team was moved to the Policy, Performance and Personnel team. This change has strengthened the arrangements in place and provides additional resilience. In line with good practice, risk management continues to be closely linked to the achievement of the Council's objectives.

During 2016/17 the Council's Anti-Fraud and Anti-Corruption Strategy, which details the approach to its arrangements, has been reviewed and updated². The Strategy covers the roles of elected Members, employees and managers (including contractors and agents), the Internal Audit and Fraud team and External Audit.

The Council investigates fraud relating to Council Tax and Business Rates payments, and also deals with National Fraud Initiative work. Responsibility for investigating benefit fraud transferred to the Department for Work and Pensions in 2015 and a referral system is in place between the Council and the DWP if fraud is suspected in respect of housing benefit and / or council tax support.

3.8 Ensure effective management of change and transformation

Over recent years the Council has adopted a policy of seeking efficiencies and different ways of delivering services producing significant levels of savings. The savings achieved have been the result of considerable change and transformation. In October 2016 the Council published an 'Efficiency plan'³ in order to fix a four-year financial settlement from the Government and work continues within all Directorates to produce the changes required to deliver the savings identified, before 2020/21. Executive Directors and all Service Managers are directly involved in monitoring the work being completed and savings achieved are reported in the monthly budget monitoring reports. Where savings are achieved in advance of 2020/21 these will be transferred to reserves to fund investment in major capital projects which will provide future revenue income.

One of the corporate priorities is to deliver our 'channel-shift' programme. The key document for delivery is the 'Switched On' Transformation Plan which was refreshed during the 2016/17 year to keep account of elements that were delivered. The plan sets out how the

¹ Presented to Cabinet in February 2017

² Presented to Cabinet in February 2017

³ https://www.west-norfolk.gov.uk/info/20160/budgets_and_spending/511/efficiency_plan_2016-2020

authority is approaching service transformation, and introducing improved digital services across the organisation and is underpinned by communications and training plans to support employees through the changes required, equipping them with the skills they will need to implement new ways of working.

The council's shift towards digital services progressed well during 2016/17 and a new website was launched in July 2016. This was a key part of the channel shift programme, and provides the foundation for much of the work planned in this area over the remaining life of the Corporate Business Plan. The new website is fully responsive and works well across a wide range of devices such as tablets and mobile phones. Feedback received on the change and how the change was managed was positive from both external customers and internal staff. During the year, new online forms were introduced for

- Benefit change in circumstances
- Council tax home movers
- Applications for council tax discounts and exemptions
- Most Environmental Health services including waste and street cleansing
- Applications to the Housing Register

Take up of the new forms has been high with over 13,000 forms completed by customers since they went live. High levels of take up demonstrate the ease of use and benefit that being able to complete forms at a time convenient to the customer, has brought. Benefit forms integrate directly with our back office system and we will be carrying out further work in 2017/18 to integrate the revenues and environmental health forms into the respective back office systems.

During the year under review, the council has also launched a new 'Web Chat' function which allows customers browsing its website to chat directly to a customer services advisor if they have any questions. An average of 30 chats a day are taking place and the data collected from the chats is being used to improve the information on the Council's website.

In February 2017, the council launched its 'My Account' service. Customers are able to create accounts from which they can register for personalised data such as council tax and benefit information, find information via a variety of Frequently Asked Questions and submit and track requests for service. The system also enables them to upload documents to support their service request. To date, 3,208 accounts have been opened by customers.

The council is also encouraging take up of digital services by providing assisted self-service facilities supported by Online Support Officers. It is hoped that this will help and encourage customers to self-serve themselves when they next need a council service.

The changes outlined above are bringing large-scale changes to the way the Council operates and as mentioned, are a key corporate priority. To ensure the continued successful management of these changes, a staff survey on digital skills will be completed in early 2017/18 to help develop training plans.

The Council's Performance Management Framework outlines how the corporate priorities, including channel shift and the associated transformations, translate into targets for staff.

3.9 Ensure the authority's financial management arrangements conform to the governance requirements of the CIPFA statement on the 'Role of the Chief Financial Officer in Local Government'. Where they do not, explain why and how they deliver the same impact

The CIPFA statement describes the roles and responsibilities of the Chief Financial Officer, who is bound by both professional standards and also legislative responsibilities, with a fiduciary duty to the local taxpayer.

The Council's arrangements fully comply with the principles described: the Chief Financial Officer reports directly to the Chief Executive, and is a member of the senior management team (called the Leadership Team in the CIPFA statement). Additionally during the 2016/17 year, the postholder's role title was re-designated as Executive Director, Finance Services and to strengthen our arrangements, a senior member of the Financial Services team was appointed as Deputy Section 151 Officer.

3.10 *Ensure the authority's arrangements conform to the governance requirements of the CIPFA statement on the 'Role of the Head of Internal Audit'. Where they do not, explain why and how they deliver the same impact*

The role referred to by CIPFA as the Head of Internal Audit has a critical role in delivering the organisation's strategic aims by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

The arrangements in place for 2016/17 conformed to the requirements outlined in the above statement.

During the year, planning also took place to move to a shared arrangement with Fenland District Council to manage the Internal Audit team with effect from 1 April 2017⁴. A handover period has been in place since November 2016 to assist the change and a Section 113 agreement is in place to underpin the arrangement.⁵ These arrangements have been entered into in order to provide a cost saving to the authority, whilst at the same time continuing to provide an effective internal audit function through a different model of delivery.

3.11 *Ensure effective arrangements are in place for the discharge of the Monitoring Officer and Head of Paid Service functions*

The Council employs a Monitoring Officer who is responsible for ensuring compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service, the Monitoring Officer will report to full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration. In addition, the Monitoring Officer takes a report annually to the Audit Committee covering the areas of responsibility.

The Chief Executive is the Council's Head of Paid Service and has overall responsibility for the management and co-ordination of the employees appointed by the Council. The Chief Executive is required to report to the Council as appropriate with regard to the way in which the different functions of the Council are co-ordinated, the number and grades of staff required for the discharge of these functions, the way in which these people are organised and managed and the way in which they are appointed.

Effective arrangements are in place for the discharge of both roles.

3.12 *Carry out the main functions of an Audit Committee, as identified in CIPFA's 'Audit Committees: Practical Guidance for Local Authorities'*

⁴ Cabinet report August 2016

⁵ Section 113 of the Local Government Act 1972

The Council has an Audit Committee in place; as outlined in section 3.4, from April 2016 this Committee has been 'standalone' which it is believed provides increased opportunity for effective assurance about the adequacy of financial and operational management and reporting.

The Terms of Reference of the Audit Committee were reviewed and amended in the 2016/17 year. As part of the review, the Committee was given responsibility for approval of the Council's Statement of Accounts and the Annual Governance Statement.

A substantial amount of training has been provided during 2016/17 to the members of the Audit Committee in key areas. Examples include training on Treasury Management, the role of the Audit Committee and a briefing on the processes undertaken to carry out the review for the preparation of the Annual Governance Statement.

Each year, a review is undertaken of the effectiveness of the Audit Committee. For the year covered by this statement, the review was presented to the Audit Committee on 30 May 2017. The review concluded that the Committee is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2015.

3.13 Ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is legal

The Council's Constitution provides a comprehensive framework for the management of the authority's business and ensures compliance with relevant laws, regulations, internal policies, codes of practice and procedures. The Council is the statutory body for many laws and the range of policies and codes of practice we have in place help to ensure compliance. Policy Review and Development Panels assist Cabinet and Council to ensure that compliance is considered where appropriate; report templates for those panels and for Cabinet ensure all elements are given consideration at the time the report is presented. Statutory Officers – Head of Paid Service, Monitoring Officer and Chief Financial Officer – are in post to monitor and ensure adherence.

All initiatives undertaken, including those with financial elements, are either progressed due to being a statutory requirement or because it will contribute to a key aim of the Council. All initiatives are reviewed by regular meetings of the Management Team and senior managers in order to ensure compliance and that spend is legal.

Other arrangements are in place to ensure compliance with relevant policies and to ensure that expenditure is legal. One example is the ICT Development Group; a small group which for the 2016/17 year consisted of the Portfolio Holder, a second Cabinet Member, the Executive Director and the ICT Manager. The group manages the ICT capital budgets, reviews all new proposed ICT developments and keeps up to date with pertinent legislation. Officers write a report to the group outlining their business case and decisions are taken on spend to ensure that it complies with the Council's priorities. The group monitors project delivery and items are recorded via agendas and minutes. A Terms of Reference was adopted during the 2016/17 year to ensure the remit of the group was clear.

The Council remained 'Payment Card Industry (PCI) Compliant' in 2016/17; this is an increasingly important regulation in light of the Council's move towards more digital services and the public's reduced use of cheques. Compliance is judged in two ways – via an on-site audit, and through quarterly scans on behalf of the banks to try to find any vulnerability.

During the 2016/17 year the Council's Financial Regulations were updated⁶. Contract Standing Orders, another key document in respect of contracts for the supply of goods and services or for the execution of works, were updated in the 2015/16 year.

A Budget Monitoring Report is produced and provided to all Councillors on a monthly basis to ensure timely information is available on the Council's financial position. These changes are formally approved by Cabinet in December each year in order to form the base on which the new Financial Plan is then formulated. The report for the 2016/17 year was taken on 6 December 2016.

During the 2016/17 year, the Capital and Local Property Investment Fund Strategy was adopted.⁷ This strategy, supported by a number of other documents, provides the rationale for any capital spending and property investment plans. It provides a framework for the delivery of the capital programme and ensures that capital investment is directed to the Council's Corporate Priorities and helps achieve the Financial Sustainability Plan.

In January 2017, Full Council⁸ formally adopted the Community Infrastructure Levy (CIL) Charging Schedule, which came into effect on 15 February 2016. CIL is the Government's chosen approach to set a mandatory tariff on development and applies to relevant planning decisions made from that date. CIL means funds will be raised from new development in the Borough. The funds received will contribute towards funding improvement to infrastructure (facilities and services) required to support the development and growth planned for the borough.

Additionally, to ensure that senior members are kept abreast of relevant matters in a timely manner, the Chief Executive (or another representative from Management Team) meet weekly with the Leader of the Council. During the 2016/17 year the Council had a change of Deputy Leader; during 2016 monthly meetings were held with the Leader and then Deputy Leader; during the 2017 part of the financial year, the new Deputy Leader attended the weekly meetings and this arrangement continues.

3.14 Ensure arrangements are in place for whistleblowing and receiving and investigating complaints from the public

The Council has a Whistleblowing Policy in place, produced in accordance with the provisions of the Public Interest Disclosure Act 1998. This policy is available to all staff and members on the Council's Intranet and was updated during the 2016/17 year.

The Council has a Corporate Complaints procedure in place, available on the Council website. The Council also deals with any incidents of racial complaints, or complaints relating to a disability, in a similar but separate process. The complaints received are analysed and results presented to the Corporate Performance Panel on an annual basis.

3.15 Identify development needs of members and senior officers in relation to their strategic roles, supported by effective training

The Council provides a comprehensive programme of learning and development to officers and members. Learning and development needs for staff are identified through the performance management process and in response to organisation/service level needs and these are translated into an annual training programme. The Council has a commitment to management training and delivers a range of development activities to support managers at

⁶ Council January 2017

⁷ Council February 2017

⁸ Council January 2017

all levels, including specific training to support the development of Service Managers; a group of existing Services Managers are currently undertaking a Level 7 management programme which commenced during the 2016/17 year and a number of one off 'Extended Management Team Development Sessions' have been arranged to ensure Service Managers are kept up- to-date on current issues. Senior Officers also participate in relevant sessions relating to changing technical requirements to ensure the up to date position is known and to feed in to relevant central government departments at appropriate times; examples are attendance at Efficiency Plan preparation sessions, Cabinet Office briefing, Electoral Commission meetings and 100% Business Rates Retention sessions.

Member's development needs are identified through use of a questionnaire following their election, and are also identified during the year as matters arise at meetings and questions of training needs arise. Particular emphasis has been given to ICT training for Councillors during the 2016/17 year to continue to support the ongoing change to paperless agendas for the majority of meetings and other changes such as electronic expenses claims, which went live in April 2016. Feedback forms following any training undertaken continue to be used to develop training in areas where further needs have been identified. Plans are in place for an additional training needs analysis to take place during the 2017/18 year to ensure members training needs are being met.

The Policy Review and Development Panels regularly receive updates on relevant topics as part of their agenda, particularly around any new or current initiatives, and training is run throughout the year as identified. Topics for updates or training are identified either by officers or members and helps to ensure members are better informed and have input at an early stage. The Audit Committee have received specific briefings / training throughout the year due to the Committee's updated remit.

Briefings are offered to members prior to virtually every Full Council meeting on a wide range of topics; topics covered in the year under review have included Devolution and the work of the Boundary Commission for England. Members have also had the opportunity to tour the Town Hall following completed development work.

3.16 Establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council welcomes views from the public and community as part of the constitutional process. These views are considered through formal and informal consultation processes. Examples of consultations undertaken with the public in 2016/17 are: the Statement of Community Involvement; the Riverfront Regeneration Scheme; the Guildhall Complex; and further sites within the Major Housing development at the Lynnsport site – known as Lynnsport 4 & 5. For the annual consultation on the local Council Tax Scheme during the year under review, we tried a new approach, utilising Borough Councillors and Parish Councils, asking them to engage with their constituents to provide opinions. Members of the public are also able to ask questions on a topic or service within the Council's control at Full Council meetings.

A King's Lynn Area Consultative Committee is in place, the Committee's Terms of Reference state that the Committee is to act as a consultative forum and to encourage community engagement within King's Lynn itself. The Committee has formal agreement from Council to operate until April 2019.

There is an expectation from the majority of Parish Councils in the Borough for the relevant Borough Councillor(s) to attend most, if not all, of their meetings; this assists with maintaining effective communication with Parish Councils and therefore the communities that they serve.

The Council uses social media corporately to communicate and engage with the community, particularly Twitter which is used to great effect for times such as the Borough Council elections, and You Tube has been used during the 2016/17 year for things such as a film of the installation of the King John statue, as part of a campaign called 'Respect your Taxi Driver' and as part of the promotion of the Council's new secure online account service 'My Account'. Social media is used for specific events, such as the Hanse Festival, and the Town Hall has its own Twitter and Facebook accounts to help engage with potential customers and promote the venue. Results of all methods of communication are fed back into service delivery, ensuring accountability. The Council also monitors feedback from residents and service users through compliments and complaints received.

During 2016/17 the Council has complied with the requirements of the Local Government Transparency Code 2014. The Code makes it a legal requirement for local authorities to publish specified data by prescribed deadlines and thereafter annually. The Council publishes all specified data on its website, in the prescribed format, by the required deadline. This makes a direct line to the requirement to establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

3.17 Incorporate good governance arrangements in respect of partnerships and other joint working and reflect 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 in terms of the potential for a detrimental impact on the Council should the partnership fail. Some arrangements are formal, and are a way to deliver the Council's duties and obligations, such as CNC Building Control and the newly in place shared audit management with Fenland District Council. These arrangements are subject to formal governance arrangements and include processes for reviewing the delivery of benefits, and arrangements for termination should the arrangement not be serving the purpose for which it was created.

Other partnerships are of a contractual nature, such as delivery of the Council's payroll processing. These partnerships are also subject to formal governance arrangements, are reviewed regularly, deliver benefits to the Council such as additional income, provide good value for money for the receiving organisation as the Council maximises its own existing infrastructure, but are not delivering our own statutory obligations.

The Council also continues to participate in an informal, collaborative partnership with local partners via the West Norfolk Partnership Strategy Group. The strategy group agrees priority issues which will benefit from a combined and coordinated response from partners. The Strategy Group have agreed updated Terms of Reference in March 2017.

The Council is mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements. It therefore actively supports open and transparent arrangements in all its partnership working.

3.18 Appendix A

The table at Appendix A demonstrates how the core and supporting principles of corporate governance, as detailed in the Council's adopted Code of Corporate Governance have been upheld during the 2016/17 year.

4. Review of effectiveness

The Council has a responsibility to review the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit and the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit Manager's annual report, the Monitoring Officer's Annual Report and also by comments made by the external auditors and other review agencies and inspectorates, where undertaken.

The process of maintaining and reviewing the effectiveness of the system of internal control includes the following measures and actions:

- The Audit Committee has oversight of the activities of the Council's internal and external audit functions. Members of the Audit Committee are provided with copies of all reports produced by Internal Audit and the external auditors, and also receive regular reports on matters relating to finance, fraud investigation and risk management. The Committee approves the annual plans for Internal and External Audit, and receives regular progress reports throughout the year. The Audit Manager submits to the Committee an Annual Report and Opinion, and the external auditors submit an Annual Audit letter. The Audit Manager has included an audit opinion on the adequacy and effectiveness of the council's systems of internal control in the Annual Report and Opinion on work completed during 2016/17 which went before the Audit Committee on 30 May 2017. The report states that in the Audit Manager's opinion, the Council's control arrangements were adequate and effective in 2016-17, with sound controls in all key areas.
- The Audit Manager has also completed a review of the effectiveness of the Audit Committee itself. The result was reported to the Audit Committee on 30 May 2017 and concluded that the Committee is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2015.
- During 2016/17 Internal Audit has issued three reports with a 'Limited Assurance' rating. In one case it was first time this subject had been audited and there were a number of issues to deal with in order to establish an efficient and effective system to carry out the work. A plan of action has been agreed with Management Team and is being implemented satisfactorily. In the second, key personnel had left the Council. This has now been addressed and improvements are being made. The final one concerns responsibilities that have been moved to a new post and the processes are being put in place to administer the work more closely. There were no instances of 'No Assurance' reports being issued.
- The Council's external auditors review the activities of the Council, approve the annual accounts and certify grant claims (where required). Conclusions and significant issues arising are detailed in various reports from the auditors. Their 'Audit Results Report – ISA (UK and Ireland) 260' went before the Audit Committee on 5 September 2016 and the Annual Audit Letter went before the Audit Committee on 28 November 2016. **These reports from the external auditors refer to the 2015/16 financial year (the latest available)** and they confirmed that the Council had put in place proper arrangements to

secure value for money in its use of resources, and that the financial statements gave a true and fair view of the financial position of the Council as at 31 March 2016.

- A Member / Officer protocol is in place and forms part of the Council's constitution.
- The Monitoring Officer issued an Annual Report covering the 2016/17 year which went before the Audit Committee on **DUE IN JULY 2017** and provides an overall opinion on the adequacy and effectiveness of the Governance framework. The report stated **that ???**
ADD DETAIL HERE
- Additionally, 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. There have been no issues arising during 2016/17 which have required the full Council to exercise its role.

In summary, a review of arrangements for the 2016/17 year has been undertaken; the review has not highlighted any issues as significant weaknesses in governance or internal control during the year. The arrangements outlined above are in place and operating as planned.

5. Areas of special interest in terms of governance

Leisure arrangements

- 5.1 The Council's leisure and arts facilities have been operated and managed through an independent Trust and wholly owned Local Authority Company since 1 September 2014. Full details of the arrangements in place are contained within the Council's 2016 Annual Governance Statement (covering the 2015/16 year) and are therefore not repeated here as there have been no material changes to the arrangements. However, a brief overview of the arrangements in place are as follows:
 - 5.1.1 The Borough Council leases sports and arts facilities to Alive Leisure, which is a charitable trust. Alive Leisure is contracted by the Council to undertake various activities including operation of the facilities.
 - 5.1.2 The Borough Council retains responsibility for maintenance of the facilities and utilities, and pays a Management Fee to Alive Leisure (the trust).
 - 5.1.3 Alive Management Ltd is a wholly owned Local Authority Company (LAC) which is subcontracted by Alive Leisure for the operational management and delivery of leisure services, and to manage maintenance / equipment / capital requirements and utility consumption.
 - 5.1.5 Alive Leisure, being an independent charitable trust, is a separate entity and no further information on it is therefore covered within this governance statement.
 - 5.1.6 Alive Management Ltd (the LAC) has a Board of 5 members, three are Borough Councillors and two are Borough Council Executive Directors. Staffing consists of a Chief Operating Officer and 16 staff. The Company Secretary role is performed by the Council's Chief Financial Officer.
 - 5.1.7 Approximately 100 staff are employed jointly by Alive Leisure and Alive Management Ltd – including for example, duty officers, lifeguards, and theatre technicians.
 - 5.1.8 Governance elements within Alive Management Ltd (the LAC)
 - i) Regular board meetings are held; these are minuted and published via the ModGov system.

ii) Individual business plans are in place for each leisure/arts facility which link into the overall strategy created by Alive Leisure (the Trust).

iii) The quality and aims of services are measured via external health and safety audits, externally scored mystery shopper visits, customer surveys, national benchmarking, analysis of attendance figures, and regular monitoring of the financial position.

iv) Alive Management Ltd comply with the Council's terms and conditions; all staff and all jointly employed staff have a clear understanding of the standards of behaviour that are required. The arrangements in place for identifying and delivering staff training mirror those in place within the Borough Council.

v) There are arrangements in place for identifying and managing risks to the organisation, for example there is a joint Business Continuity plan in place between Alive Leisure and Alive Management.

vi) Roles and responsibilities are defined by job descriptions and contracts for employment are in place. Service Level Agreements are in place between Alive Management and Accountancy, HR, ICT and Internal Audit, and regular meetings with these services take place. Alive Management use the Borough Council's practices and procedures in these areas, including financial regulations and contract standing orders; this ensures compliance with relevant laws and regulations, and that expenditure is legal. The Chief Operating Officer has the level of spend allowable defined, all spend above this limit is taken to the Board to determine.

vii) The Chief Operating Officer from Alive Management and the Chief Executive Officer from Alive Leisure meet every week to review reports from Managers. An action log is maintained and the meetings are minuted; Managers can raise queries – whether issues or opportunities through this forum and responses are fed back.

viii) External auditors are in place; they present information and report to the Board in accordance with normal practices. The Accounts are recorded at Companies House in accordance with statutory timescales, changes of Board members are reported to Companies House and the required annual return is submitted as required. All returns are complied with, including corporate tax and VAT returns to HMRC.

ix) Alive Management's treasury account is consolidated with the Borough Council's and is managed as part of the Council's arrangements. Recording of payments and income are recorded separately on the ledger. All financial controls are mirrored but separate.

x) An annual health check is built into the VAT advice contract in place for the Council, Alive Management and Alive Leisure to ensure the arrangements are still fully compliant with VAT arrangements that underpin the new leisure delivery model.

5.1.9 Changes within these arrangements during the 2016/17 year:

- The finance function – monitoring accounts, budgets and closedown – for the Leisure Trust is no longer delivered by the Council, it is delivered by a finance officer directly engaged within the Trust. Monthly finance review meetings are held between officers of the Council, Alive Management Ltd and Alive Leisure as the Council continues to undertake all other financial elements: the Trust still operates on open book accounting and interdependencies remain between Alive

Leisure Trust, Alive Management Ltd and the Borough Council. This change has resulted in a reduction in the charge to the Trust for accountancy support.

- The frequency of meetings that take place between Alive Management, Alive Leisure and HR and Alive Management, Alive Leisure and ICT have reduced to quarterly during the 2016/17 year as working arrangements have been consolidated.

Legal arrangements

5.2 The Council's legal service is delivered via a delegated agreement on an annual, rolling basis, with Eastlaw (the in-house legal team at North Norfolk District Council). The agreement is designed to provide resilient and quality legal services to the Borough Council and includes provision of a Monitoring Officer; one of the Council's designated statutory posts. Eastlaw provide the client role for commissioned legal services, as well as providing general advice.

Local Authority Housing Company

5.3 In August 2016, Cabinet resolved⁹ to set up a wholly owned Local Authority Company the main purpose of which is to help meet the Council's statutory housing duties, by holding property that will be purchased and / or leased from the Council in order to create and provide affordable housing. The company is called the West Norfolk Housing Company Ltd and is a 'with profits' company limited by shares.

5.3.1 Governance elements within West Norfolk Housing Company Ltd

i) The Board currently consists of 5 members, three are Borough Councillors and two are Borough Council Officers – the Chief Executive and the Housing Services Manager. The Council's S151 Officer is the Company Secretary. Plans are in place to appoint three independent board members early in 2017/18.

ii) The Company is to be run by the Directors, but their decision making is constrained by a shareholders agreement which defines the decisions that would need shareholder consent. The Council is the sole shareholder and as such decisions as to how to exercise its shareholder powers would come back to the Council's Cabinet.

iii) At its meeting on 23 March 2017 the board adopted the National Housing Federation's (NHF) Code of Conduct, which requires the company to uphold the highest standards of probity and conduct, and the NHF Code of Governance, which is designed for use by Housing Associations. Compliance with the Code of Governance will be assessed annually.

iv) The Company will adopt the council's Financial Regulations and Contract Standing Orders and a modified version of the Council's Treasury Strategy. An SLA is in place between the Company and the financial services team within the Council to provide financial monitoring information and access to specialist advice such as Treasury consultants.

v) The Company has a Risk Register within its business plan and has adopted the Council's Risk Management Policy and Strategy. The Register includes steps that will be taken to mitigate the identified risks and the Board will receive an annual assessment of risk and associated recommendations.

⁹ 2 August 2016

vi) Regular Board meetings are held, these are formally minuted and minutes are published on the Council's ModGov system.

6. Known changes in the 2017/18 year

6.1 Internal Audit

During the year, planning took place to move to a shared arrangement with Fenland District Council to manage the Internal Audit team with effect from 1 April 2017. A handover period has been in place since November 2016 to assist the change and a Section 113 agreement is in place to underpin the arrangement.¹⁰ These arrangements have been entered into in order to provide a cost saving to the authority, whilst at the same time continuing to provide an effective internal audit function through a different model of delivery. Care was taken when devising the new arrangements to ensure that the shared Internal Audit Manager will be able to provide the assurance required by management and Members, and issue an Audit Opinion for the Annual Governance Statement.

6.2 Corporate Risk Register

The responsibility for producing the Corporate Risk Register on behalf of Management Team will move to the Policy, Performance & Personnel team with effect from April 2017.

6.3 External Audit

During the 2017/18 year, the Council will be going out to tender for new External Auditors as the transitional arrangements put in place following the close of the Audit Commission end on 31 March 2018.

The Council's current external auditor is Ernst & Young, and the Council will need to have a new auditor in place before the end of the 2017/18 year. At its meeting on 5 September 2016, the Audit Committee recommended that the Council "opt-in" to the procurement process being run by the national sector led body Public Sector Audit Appointments Ltd (PSAA). Full Council approved this approach at the Council meeting on 17 November 2016.

The PSAA is completing the major procurement process to identify the firms which will carry out audits under contract to PSAA and the successful suppliers are expected to be announced in June 2017.

6.4 Timetable for Accounts

It will be a statutory requirement for the closedown of the 2017/18 accounts (which will be completed in the 2018/19 year) and each year thereafter, to be adopted by 31 July rather than 30 September, as was required in previous years. In preparation for this, the Council's accounts for the 2016/17 year (being completed within the 2017/18 year) are being prepared for adoption early, at the Audit Committee on 31 July 2017. All processes have been brought forward, including those undertaken by the external auditors in order to ensure that the revised statutory timescales can be met.

¹⁰ Section 113 of the Local Government Act 1972

6.5 Boundary Commission for England review

The Local Government Boundary Commission for England has confirmed that the Borough Council King's Lynn & West Norfolk is in its ward boundary review programme for 2017/2018. The preliminary stage of the review, which considers the number of Councillors required commenced in February 2017 and concludes in May 2017. The second part of the review is concerned with identifying the ward boundaries. The review is scheduled for completion in April 2018.

7. **Action Plan**

In the Annual Governance Statement for 2015/16 (presented to Cabinet on 9 September 2016) an 11 point Action Plan for 2016/17 was set out to deal with governance issues identified during the review for that year. All points on that Action Plan have been completed.

The Action Plan to be worked on during 2017/18, containing 8 new items identified through the review undertaken on the 2016/17 year is attached at Appendix B.

8. **Assurance summary**

From the review undertaken, the assessment and ongoing monitoring work completed¹¹ and supported by the verification work undertaken by Internal Audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

No system of internal control could provide absolute assurances against material misstatement or loss; this statement is intended to provide reasonable assurance. We are satisfied that an on-going process for identifying, evaluating and managing key risks exists. These risks are reflected in the audit plan, the Corporate Risk Register and are the subject of separate reports during the course of the year.

We propose over the coming year to take steps to address matters identified to further enhance our governance arrangements. We are satisfied that the steps outlined at Appendix B will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Cllr Brian Long
Leader of the Council
DATE 2017

Ray Harding
Chief Executive
DATE 2017

Cllr David Pope
Chair of the Audit Committee
DATE 2017

¹¹ By the Audit Committee during 2016/17

APPENDIX A: EVIDENCE LIST – HOW THE PRINCIPLES OF CORPORATE GOVERNANCE HAVE BEEN ADHERED TO DURING THE 2016/17 YEAR

Policies, Strategies, Rules & Codes	Processes and Frameworks	Key documents	Functions
<ul style="list-style-type: none"> • Anti-fraud and Anti-corruption Strategy • Capital Strategy • Code of Conduct • Computer usage policy • Constitution • Data Protection and FOI policies • Data Quality Strategy • Employment rules • Equality and Diversity policy • Financial procedure rules and standing orders (within Constitution) • Financial regulations • Health and Safety Policy • ICT strategy and action plan • Medium Term Financial Strategy • Member/Officer protocol • Members' allowances scheme (Constitution) • Members' code of conduct (Constitution) • Officers' code of conduct (Constitution) • Pay policy statement • Procedure rules (contracts, employment, meetings) (Constitution) • Procurement regulations • Procurement strategy • Protocol on member / officer relations (Constitution) • Prudential code • Risk Management Strategy • Scheme of Delegation (within Constitution) • Training abroad with Council devices policy • Treasury Management Policy statement • Whistleblowing policy • Workforce learning and development 	<ul style="list-style-type: none"> • Benchmarking • Budget consultation • Budget process • Business continuity framework • Car Park Management • Civil Parking Enforcement • Competency frameworks • Complaints process • Corporate Business Plan • Customer Care Standards • Customer feedback process • Environment policy • Environmental Statement • EQIA policies • Equality Monitoring • Extended Managers Meetings • Health and Safety policy • Induction process (member and officer) • Internal Audit Strategic Plan • Job evaluation process • Legal Services • Managing performance (people) framework (including appraisal process) • Meeting timetable • Member allowances publication • Member training • MRF Partnership Case & Repair • MT/Union meetings • Officer membership of professional bodies • Performance Management (business) framework • PRP targets • Risk management process • Scrutiny framework (Constitution) • Senior Staff Salary publication • Staff Briefing • Training for Chairs 	<ul style="list-style-type: none"> • Agendas & Minutes • Alive Trust/Management Suite • Annual audit letters • Annual Directorate Plans • Annual Governance Statement • Assurance Statements • CCTV Operating Manual • CNC Building Control • Committee reports, agendas and minutes • Complaints reports • Consultation register • Corporate Risk Register • Council tax booklet • Council website • Delegation Agreement & SLA • Employee Handbook • Enforcement Policy • External inspection / review reports • Harassment Procedure • Internal Affairs • Intranet • JNC terms & conditions • Job descriptions/specs • Key decisions (within Constitution) • Law & governance • Members Bulletin • Publication Scheme (FOI) • Quarterly Performance Reports • Record of decisions • Registers of interest • Report templates • Salary scales • Senior management remuneration report • Service level agreements • Service plans • Standard timetable for circulation of agendas • Statement of Accounts • Statement of Internal Control (part of AGS) • Timetable of council meetings • Training programmes • Transparency publications • West Norfolk Partnership • Workforce development and plans • Working Protocol 	<ul style="list-style-type: none"> • Audit Committee • Community Information points • Democratic Services • External audit (and other reviews) • Finance service • Functions and responsibilities • Head of Paid Service • Health and Safety officer • Human Resources • ICT Development Group • Independent remuneration panel • Internal audit • Local Government Ombudsman (report) • Management Team • Monitoring Officer • Monitoring Officer report • Policy Development and Review Panels • PR/Communication • S151 officer • Social media • Standards Committee • Statutory reports • Terms of reference for committees (Constitution) • Website • Weekly CEO/Leader mtgs

APPENDIX B: ACTION PLAN FOR THE 2017/18 YEAR

	Item	Action	Responsible Officer	Target Date
1	Financial Sustainability (Underpinned by Financial Plan 2016-2021)	Ensure robust processes are in place for identifying, delivering and monitoring cost reduction efficiencies and income generation	Executive Director, Finance Services	March 2018
2	Internal Audit	Embed and monitor new Internal Audit arrangements	Executive Director, Finance Services	March 2018
3	External Audit	Ensure a robust tender process takes place to put in place new external audit arrangements	Executive Director, Finance Services	March 2018
4	Public Services Network (PSN) compliance	Ensure PSN compliance during 2017/18 including progressing any actions identified as a result of the 2016 audit	Executive Director, Central and Community Services	March 2018
5	Payment Card Industry (PCI) compliance	Respond to issues identified during the 2015 PCI audit	Executive Director, Central and Community Services	March 2018
6	Risk Management	Embed revised arrangements for production of the Corporate Risk Register	Executive Director, Central and Community Services	March 2018
7	Review of Ward Boundaries (Review by Local Government Boundary Commission for England)	Ensure active participation in the review in order to ensure the best possible evidence based outcome for West Norfolk	Executive Director, Central and Community Services	March 2018
8	Corporate policies	Introduce arrangements to co-ordinate and monitor the publication and updating of agreed policies	Executive Director, Central and Community Services	March 2018