

Borough Council of
**King's Lynn &
West Norfolk**



DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23



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Approval of the Annual Governance Statement

We recognise the importance of having a sound Governance Framework in place with effective and well understood processes and internal controls to enable the Council to deliver its services and its Corporate Strategy.

The underlying financial environment continues to pose significant challenges for the Council. Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which the Council will hold itself accountable for continuous improvement.

The Review of Effectiveness confirms that during 2022/2023 there was overall assurance against the Council's Governance Framework however there are specific areas of weakness identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

We are grateful to the Councillors and officers of the Council for all their efforts to ensure that the Council is well run, transparent in its decision making and delivers the 'golden thread' which supports the effective management and leadership of the Council.

We approve this Annual Governance Statement.

Signed:

Cllr Alistair Beales
Leader of the Council
Date:

Lorraine Gore
Chief Executive
Date:

Cllr Alun Ryves
Chair of the Audit Committee
Date:

1. Introduction

Good governance is integral for ensuring focussed, lawful, and transparent decision making and leadership in local authorities. It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to support good governance.

The Borough Council of King's Lynn & West Norfolk ("the Council") strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. Governance comprises the systems and processes, cultures, and values by which the organisation is directed and controlled and through which it is accountable to, engages with, where appropriate, and leads its communities. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

2. Scope of Responsibility

The Council's responsibilities are to:

- Ensure its business is conducted in accordance with the law and proper standards;
- Safeguard and properly account for public money;
- Use public money economically, efficiently, and effectively; and
- Meet its 'best value duty' to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council has a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*. The Code was reviewed by Audit Committee during 2018/19 and shall be reviewed and refreshed in 2024/25.

The Annual Governance Statement ("AGS") reports publicly on the extent to which the Council has complied with its governance duties and how the Council has deployed effective governance during the 2022/23 financial year against the Code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The Council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Council's Corporate Business Plan and ensure good governance within the Council.

3. The Governance Framework

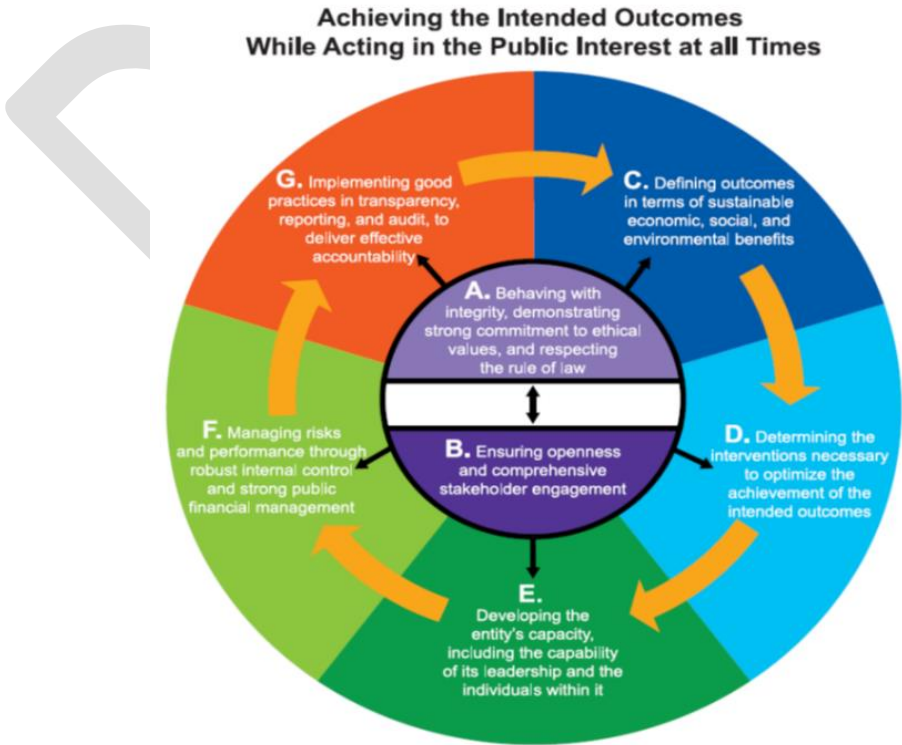
The Governance Framework comprises the systems, policies, procedures, culture, values, and operations by which the Council is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the Council to monitor the achievement 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 outcomes;
- evaluate the likelihood and potential impact of those risks being realised; and
- manage them efficiently, effectively, and economically.

The Council’s Governance Framework is made up of the many systems, policies, procedures, and operations we have in place, including the Code of Corporate Governance, to help realise the principles within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016:

<u>A</u>	Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law
<u>B</u>	Ensuring Openness and Comprehensive Stakeholder Engagement
<u>C</u>	Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits
<u>D</u>	Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes
<u>E</u>	Developing the Entity’s Capacity, Including the Capability of its Leadership and Individuals Within It
<u>F</u>	Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management
<u>G</u>	Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability



4. How the Council Works

For a summary of how the Council works and details of some of the key areas of the Governance Framework, please refer to Schedule 2.

5. Review of Effectiveness

The Council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the Council's Code of Corporate Governance and aligned with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Review of Effectiveness is carried by firstly undertaking an 'at a glance' summary throughout the 2022/23 period, and then secondly undertaking a deeper dive into specific areas of the Governance Framework.

5.1 Summary Against the Principles

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

What Went Well:

- ✓ A new Councillor Code of Conduct was adopted by Full Council after consideration by the Standards Committee. The Code is based on the Local Government Association's Model Code of Conduct, with amendments based on what Members considered works well for West Norfolk
- ✓ Creation and adoption of a 'Declaring an Interest and Managing Any Conflicts Flowchart' which now appears in every Council agenda to support Members in complying with the Code of Conduct and demonstrating transparency to the public
- ✓ Passing the Local Government Association's 'Debate Not Hate' Motion at Full Council
- ✓ Recruiting an internal Monitoring Officer and building an in-house legal team to replace the external provision arrangements

Areas for Improvement:

- ✓ Comprehensive review of the Constitution required via a Constitution Informal Working Group
- ✓ Report to Standards Committee with a summary and trends of Code of Conduct complaints

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

What Went Well

- ✓ Adopting the Local Assurance Framework, working in conjunction with Norfolk County Council and the King's Lynn Town Deal Board, to determine the governance framework within which the Town Deal Projects will be delivered
- ✓ Establishing the Hunstanton Advisory Group to support engagement with the Hunstanton local community with regards to emerging funding streams (note the Area for Improvement on decision making)

- ✓ Extensive community and stakeholder engagement on the development of the Southgates Masterplan.
- ✓ Business and voluntary sector engagement undertaken on the Budget proposals

Areas for Improvement:

- ✓ Ensure that decisions to support the creation of new stakeholder groups involving Members and officers are treated as an executive decision where this falls into an executive function, with consultation with affected Members and officers

Principle C: Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits

What Went Well

- ✓ As part of the RE:FIT programme, the Council implemented a wide range of decarbonisation measures across its estate in 2022/23. The Chief Executive chaired the Norfolk Climate Change Partnership, and the Council also provided the partnership's secretariat and hosted its website.
- ✓ The work of the Tourism Informal Working Group by the Regeneration & Development Panel to assist with the formation of a high-level strategy and action plan for Tourism in West Norfolk and address the tourism Notices of Motion that had been moved at Full Council
- ✓ Identified projects to fund
- ✓ Business cases for the Towns Fund were endorsed by Cabinet including Guildhall, Riverfront Regeneration, Active Clean Connectivity and the Multi-Use Community Hub
- ✓ West Norfolk Investment Plan, Shared Prosperity Funding 2022-24 and Rural England Prosperity Funding 2023-25 were agreed

Areas for Improvement:

- ✓ Strategies for data collection to inform the defining of outcomes and decision making
- ✓ Ensuring there are mechanisms in place to share the work undertaken in Task Groups and Informal Working Groups with all relevant officers and service areas across the Council

Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

What Went Well

- ✓ Cabinet approved a 'Governance Action Plan' for improving the governance arrangements of the Council's wholly owned companies, including the creation of a Shareholder Committee to carry out the Shareholder function
- ✓ The removal of the 'Town Centre Re-purposing' project and the 'Gyratory' from the Towns Fund Projects to reflect changes in external factors impacting on the value of the interventions and to re-prioritise resources on delivery of the remaining six Town Fund Projects
- ✓ Extensive openness, transparency and engagement around the business cases for the four lead Town Deal Projects
- ✓ Reviewed and revised the performance monitoring process

- ✓ Increased engagement with officers and members around budget setting workstreams, including base budget assumptions, budget development sessions and modelling against Corporate Business Plan/themed areas, e.g. utilities, fees and charges
- ✓ 'Invest to Save' £3m established within the Budget
- ✓ Following consultation, approval to increase Council Tax Support Scheme from 75% to 84%

Areas for Improvement:

- ✓ Analyse and determine the internal capacity and resources available for new projects before committing at an early stage
- ✓ Develop a Fees and Charges Policy
- ✓ Determine how the Invest to Save fund will operate
- ✓ Progress the loan facility arrangements for WNPL and WNHC
- ✓ Earlier engagement on the Memorandum of Understanding for the Norfolk Business Rates Pooling Arrangements
- ✓ Implement the Governance Action Plan for the Council companies

Principle E: Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It

What Went Well

- ✓ Creation of an additional Executive Director role focussed on the delivery of projects and regeneration
- ✓ Recommencement of the Level 5 Diploma in Leadership and Management for selected officers, as well as apprenticeship schemes to develop staff capabilities
- ✓ Developing a revised Member Induction pack for the May 2023 elections, including recorded videos, particularly focussed on new intake Members and a training programme for Members
- ✓ Development of a new Corporate Governance team

Areas for Improvement:

- ✓ Develop a mechanism to promote personal, organisational, and system-wide development through shared learning, including lessons learnt from governance weaknesses both internally and externally
- ✓ Introduce an annual Project Maturity assessment following the assessment undertaken this year
- ✓ Mandatory training required for all officers on Procurement and Contract Management

Principle F: Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

What Went Well

- ✓ The Treasury Management Strategy incorporates the prudential indicators which apply to the Capital Strategy and Capital Programme and financial thresholds which the Council operates within
- ✓ The Internal Audit Plan enabled review of the Council's key financial controls and recommended improvements to the control environment and reported to the Senior Leadership team and Audit Committee.

- ✓ The risk register was rationalised during Autumn 2022 to create a strategically themed risk register
- ✓ The Risk Management Policy and Risk Management Strategy were revised and adopted by Full Council
- ✓ A review was undertaken on earmarked reserves to align reserves to committed plans resulting in a new reserve to be used to invest in schemes that would produce a positive return to the council.

Areas for Improvement:

- ✓ Undertake a deep dive review of the capital programme for 23/24
- ✓ Further work to be undertaken of earmarked reserves to support closing budget gap
- ✓ Develop a Cost Management Income Generation Plan
- ✓ Review special expense costs and recharges
- ✓ External Audits of Local government accounts have been delayed across England. Future plans for the Council's financial management will need to incorporate a strategy on meeting the demands necessitated by this external backlog;
- ✓ Develop a strategy for better integrating risk management into service area decision making
- ✓ Complete all of the leases for the properties leased to West Norfolk Property Ltd (WNPL).

Principle G: Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

What Went Well

- ✓ Extending our call-in arrangements to include Officer Delegated Executive Decisions to demonstrate that 'executive decisions' taken by officers are subject to the same scrutiny as those taken by Cabinet Members, thereby supporting accountability and openness
- ✓ A motion calling for a Local Government Association Peer review was passed at Full Council
- ✓ Introduction of Member briefing session on the proposed budget before the scrutiny meeting to enable the digestion of the material before scrutiny takes place
- ✓ Commencement of Project highlight reports being produced for all Major Projects quarterly and published within the Member Major Project Board agendas
- ✓ Five internal audits were returned with 'substantial assurance' and seven with 'reasonable assurance'
- ✓ Risk based audit planning was introduced as part of the Strategic Internal Audit Planning process.
- ✓ A three lines of assurance model was introduced for the top 5 corporate risks to the council within the Annual Internal Audit Opinion.

Areas for Improvement:

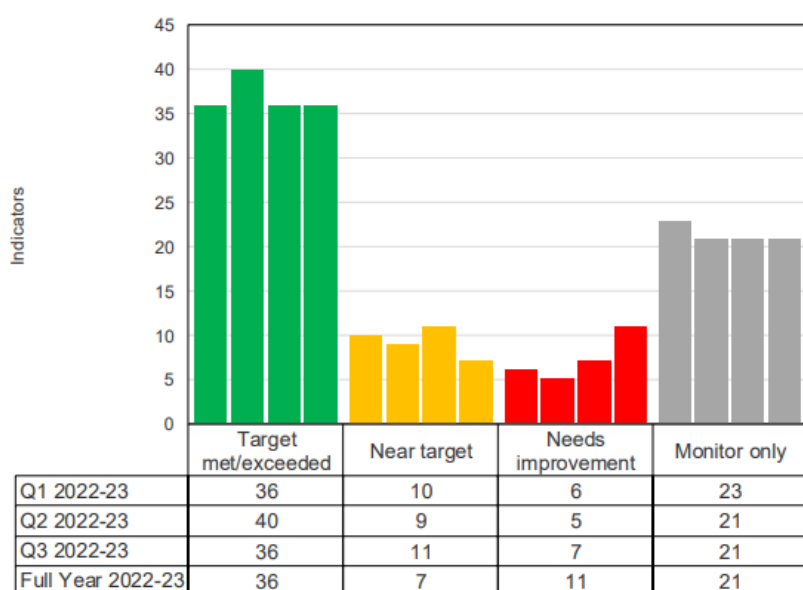
- ✓ Bringing compliance with all audit recommendations up to date, in particular those following a limited assurance
- ✓ One 'limited assurance' audit returned: Procurement and Contract Management (see below for more detail)
- ✓ Guidance required for officers on operational decisions, executive delegated decisions and when a Cabinet decision is required
- ✓ Improve decision making around Alive West Norfolk's fees and charges via escalation to the Shareholder Committee
- ✓ Pursue an independent person on Audit Committee

- ✓ Decisions on inflationary increases to Members Allowances that could be made within a range, rather than tracking a single percentage, are to be taken by Members, not operationally by officers

5.2 Review Against the areas of the Governance Framework

5.2.1 Performance Monitoring

Corporate monitoring is in place which flows from the Corporate Business Plan down through to each service area and there are a series of corporate monitoring requirements which are regularly reported on to the Corporate Performance Panel (CPP). Overall, many services across the council perform well and this is reflected in the Performance Monitoring Report for 2022/2023 which demonstrates the council’s effective delivery of services and support for the community. The 2022/23 monitoring report shows that:



5.2.2 The Corporate Performance Panel (CPP)

Number of call-in’s of executive decisions

There was one call-in during 22/23 of the following decision:

1. Council Tax Support Scheme 2023/24: Draft Scheme for Working Age Customers for Consultation

5.2.3 Monitoring Officer

Introduction

This section provides a summary of the key areas of work and focus of the Monitoring Officer during 22/23.

An internal Monitoring Officer was appointed from May 2022 onwards and an internal legal team was recruited to take over the responsibility of the legal provision from April 2023 onwards, which was still delegated to North Norfolk District Council during 22/23.

This year was dominated by governance around the key decisions on the Towns Fund Projects and governance relating to the Towns Board. A significant and necessary piece of work was conducted on corporate governance surrounding the Council's wholly owned companies. A new Councillor Code of Conduct was adopted and resource was spent preparing for the May 2023 elections.

This work was undertaken in challenging circumstances, in terms of the transitional period between the outgoing external legal services provider and building a new internal legal team. In addition, the legacy of the unprecedented amount of 'Councillor on Councillor' formal complaints in 21/22 (9), was still playing a large role in the time spent by the Monitoring Officer on a day-to-day basis.

Constitution

A deep dive into 'call-in' arrangements was undertaken, (call-in is a process whereby an executive decision can be called into the CPP for scrutiny). Notwithstanding the Centre for Governance and Scrutiny's position that only officer 'key decisions' should be called in (this Council's Constitution prohibits officers taking key decisions in any event), it was recommended to Members that changes should be made to permit the call-in of published Officer Delegated Executive Decisions.

The Monitoring Officer considers that it was not good governance that a decision could be taken by a Cabinet Member and called in, but if the same decision was taken by an officer, then it could not be called in. There is no distinction in the Council's Constitution that separates delegated executive decisions taken by Cabinet Members and those taken by officers. This imbalance in accountability, in the context of the political landscape during 22/23, was not supporting good governance, hence it was addressed by way of a Constitutional change. The Administration were supportive of this open and transparent approach to scrutiny of executive decisions.

Standards and Code of Conduct Complaints

a) Code of Conduct

The Standards Committee were consulted on three occasions with regards to a new Code of Conduct based on the Local Government Association's (LGA) Model Code of Conduct and their associated guidance, including guidance on complaint handling. The Standards Committee adopted 'Guidance on Member Code of Conduct Complaints Handling' and Full Council adopted the revised Councillor Code of Conduct. The final version of the Code of Conduct made a number of amendments to the LGA Model Code to reflect local circumstances, for example on the Council's companies, and to reflect Members' views.

b) Complaints

There were 30 Code of Conduct complaints in 22/23:

Borough Councillor complaints	13
Parish complaints	17

In relation to the Borough Councillor complaints:

Councillor on Councillor complaints	3
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Officer on Councillor complaints	1
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A Standards Committee hearing was held during 22/23 to determine three complaints in relation to the same matter.

c) Declarations of Interest

Declarations of Interest were a key theme of complaints against Borough Councillors in 22/23. A new Flowchart on 'Declaring an Interest and Managing Any Conflicts Flowchart' was therefore prepared for insertion into every Council agenda to raise the profile and promote the importance of declaring and managing interest.

Corporate Complaints

A corporate complaints process is in place so that any member of the public who is aggrieved with the way that the Council has provided a service to them or any complaint they have in connection with the Council's functions or the way that they have been treated can make a corporate complaint. Between 1 April 2022 and 31 March 2023 the council received 49 corporate complaints. Decisions on 2 complaints made against the Council to the Local Government and Social Care Ombudsman (LGSCO) were issued. The LGSCO upheld 1 of the 2 complaints.

22/23 Datasheet - Complaints Decided :

Invalid / Incomplete	2
Advice given	0
Referred	3
Closed after initial enquiries	4
Not Upheld	1
Upheld	1
Total	11
Uphold rate %	50%
LGSCO Average Uphold rate %	59%

Wholly Owned Companies

The Monitoring Officer led on a corporate governance 'healthcheck' review of the Council's wholly owned companies, which culminated in the decision of Cabinet on 15 November 2022 to approve the creation of a Shareholder Committee to exercise the Shareholder function and the approval of a Corporate Governance Action Plan to bring governance in line with best practice. Resource is now required to implement that Action Plan.

Whistleblowing

There was one whistleblowing complaint received in 22/23 which was not progressed to an investigation after an initial response was provided to the complainant.

A review of the Whistleblowing policy is scheduled for 23/24.

Towns Fund Governance

- a) An elevated proportion of resource and support was provided during 22/23 to Members, officers and the Towns Board in relation to governance matters. The concept of a Towns Board, with the private sector and public sector coming together to make decisions about the Town Fund programme but without the Town Board holding any legal status, with the Council remaining the Accountable Body, was a new concept around which the governance had to be created and adapted. Much of this work took place during 20/21 and 21/22 however there was continuing work during 22/23 in terms of revising the Terms of Reference and adopting a new Local Assurance process.
- b) Between April and September 2022 there were 4 Cabinet decisions approving the respective business cases of the 4 largest Town Fund Projects, one decision regarding the re-prioritisation of the Towns Fund programme, an additional decision about the Guildhall Major Project and a decision approving a new Local Assurance Framework (LAF) (a framework for how the governance arrangements between the Council, Town Board and Norfolk County Council operates.)
- c) This was an unprecedented and concentrated strain on resources, requiring 5 special Cabinet meetings during that time period (which did also include other urgent decisions) and 3 special meetings of the Regeneration & Development Panel. The result, however, has been a very open, transparent, and accountable programme, with increased engagement with both the public and Members. Whilst it presented significant resource challenges at the time, the extent and application of the governance framework was commensurate with the proportionate significance of the Town Deal Projects to the Council's Capital Programme. Following these decisions there was a significant drop in governance issues being raised with regards to the Town Deal Board and the Projects.
- d) One complaint was investigated and reported on during 2022/23 under the King's Lynn Towns Board's Code of Conduct regarding failure to declare full interests, which concluded that the allegation was not considered a breach of the Nolan Principles.

Annual Governance Statement (AGS)

The AGS for 2022/23 has been prepared alongside the 2023/24. Whilst this still captures the same content as if it had been undertaken contemporaneously, it was not undertaken and published with the draft Statement of Accounts for 2022/23. This was due to a permanent removal of the previous resource supporting the AGS work. The Monitoring Officer intended for the proposed Corporate Governance team to pick up the AGS work into 2023, however other significant bespoke workstreams drew down on the resource. As the Monitoring Officer had identified that she wished to undertake an overhaul of the format and content of the AGS, this was streamlined into a project alongside the production of the 2023/24 AGS.

Overall Assurance

There were no other significant governance failings that are known other than those covered within this report. The Governance Framework otherwise operated within expected parameters.

The Governance Framework has been tested during 2022/23 and has shown to be effective. Whilst there are undoubtedly areas for improvement, not least the commencement of a full review of the Constitution and the Procurement and Contract Management Transformation, the work during 2022/23 has raised the profile and the importance of the Governance Framework.

5.2.4 Chief Finance Officer

In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government' (published in April 2016), the Section 151 Officer/Assistant Director, Resources, is a professionally qualified Accountant, and is a member of the Council's Senior Leadership Team (SLT), and reports to the Executive Director, Central Services and to SLT (including the Chief Executive) and the Portfolio Holder for Finance (Cabinet Member) on key strategic finance matters.

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and are contained in the Financial Regulations, which form part of the Council's Constitution. Monthly budget monitoring takes place and quarterly reporting to Cabinet and during 2022/23 budget monitoring to SLT was reviewed and is now a quarterly item at the SLT meetings.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process, this includes the Council's General Fund, Capital, and wholly owned company's budgets.

During 2022/23, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Monthly budget monitoring and quarterly reporting enabled Cabinet and Council to remain informed of budget pressures and favourable movements.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities, continues to be delayed. This review is also likely to include a reset of the business rates system. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing a degree of financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system. Whilst this continues to create uncertainty for financial planning, the Council takes a cautious approach to estimating reliance on Government funding.

The Council has a large and ambitious Capital Programme, and the realisation of capital receipts and external funding will be important in ensuring affordability and delivery of the programme. The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a priority. Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the SLT.

Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. Existing loans are all at fixed rates and therefore not susceptible to market increases. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

5.2.5 Head of Internal Audit

Annual Opinion

Based on the findings of the audit reviews carried out throughout 2022/23 and other sources of assurance available, it is the opinion of the Head of Internal Audit that **Reasonable Assurance** may be given on the Council's risk, governance, and control environment during 2022/2023.

Summary of Audits Undertaken

A total of 13 assurance audits were considered as part of the Annual Opinion, 12 of which received a positive assurance grading. In addition, two Position Statements (advisory work) were carried out for Project Management and Climate Sustainability providing suggested improvements for management to address. It was encouraging to note that of those 12 mentioned above, 5 audits resulted in a Substantial assurance grading:

- Corporate Health and Safety
- Anti-Social Behaviour and Community Safety
- Key Controls and Assurance
- Economic Growth
- Software Licenses

One audit “**Procurement and Contract Management**” resulted in a Limited assurance grading. A total of 13 recommendations were raised (one high, seven medium and five low), which are set out below in the Procurement and Contract Management section.

Outstanding Limited Assurance Recommendations from Previous Years

In addition to the above-mentioned actions, the outstanding high and medium recommendations from limited assurance reports in previous financial years are reflected below:

2021/22 Alive West Norfolk

- 2 High and 1 Medium priority recommendations are outstanding

2021/22 Waste Management

- 1 Medium priority recommendation is outstanding

2021/22 Capital Programme

- 4 High priority recommendations are outstanding

Outstanding Audit Recommendations

There are a total of 55 outstanding high (7) and medium (48) recommendations across all audits.

5.2.6 Anti-Fraud & Anti Corruption

Where people commit fraud against the Council, they take money away from the services on which the public depend, and damage citizens’ trust in the government.

A total of 5,293 investigations (including data matching exercise referrals) were completed with a total of **543** cases of fraud/error were identified to the total value of **£402,920.06**.

Compared to 2021/22 the results for 2022/23 have seen a significant increase in volume detection from 201 cases to 543 (**271.50%**), this is largely due to the backlog of data matches which accrued during 2020/21 and 2021/22 because of the covid-19 pandemic. The position has now been recovered.

A further 28 requests were received across the organisation for assistance with debtor/absconder tracing with **11** successful traces made to the value of **£20,266.83**.

5.2.7 Information Governance

Senior Information Risk Owner (SIRO) Annual Report

The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.

Designated Posts

During 2022/23, Eastlaw hosted by North Norfolk District Council, were contracted to provide the Information Governance function for the Council. There were no in-house provisions in place other than the SIRO and Deputy SIRO. Eastlaw provided the Data Protection Officer and Deputy Data Protection Officer.

Personal Data Breaches

The Data Protection Officer has investigated **22** potential personal data breaches. 1 data breach by the council was reported to the Information Commissioners Office (ICO). The ICO has taken no action against the Council but following legal action by the complainant, the council apologised and paid compensation.

Freedom of Information Act (FOI) & Environmental Information Regulations (EIR)

Eastlaw received **548** FOI requests and EIR requests in total. The following issue was highlighted during the year:

- Response times were not recorded by Eastlaw so it is unknown what percentage of requests were completed within the statutory 20-working day target.

5.2.8 Policy Framework

A full review of the policy framework is planned for 2023/24 to ascertain a full master list of all policies, strategies, protocols and plans across the Council, to include details of their lifecycles so that updates and reviews to policies are not missed. This work will also consider whether an exhaustive list of 'non-executive' policies should be determined as the Corporate Policies that are the responsibility of Full Council, and then separate out service specific policies and delegate these as executive policies. Currently all policies must be approved by Full Council. Work should also be undertaken to link and group policies, to ensure there are no conflicts and that appropriate account is taken of connected policies.

The following policies were approved in 2022/23:

- Memorials Safety Policy
- Risk Management Policy
- Treasury Management Policy
- Unreasonable Complaints Policy
- Planning Scheme of Delegation
- Contaminated Land Strategy
- 2022/23 Pay Award
- West Winch Growth Area Masterplan
- Council Tax Support Scheme 2023/24
- Hunstanton Multiuser Hub and Transport Interchange
- LGA Model Code of Conduct
- Members Allowances Scheme 2021-2025

5.2.9 Risk Management

Given the wide range of activities undertaken by the council, we face a wide variety of risks including physical risks to people or property, financial loss, failure of service delivery, corporate governance, and damage to reputation. Effective risk management assists the Council to manage uncertainty and enable better performance against the Corporate Business Plan

The Council's Risk Management Policy and Strategy was approved during 2023/24 and sets out the framework, arrangements, and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities are identified and managed. The Strategy assists officers to apply sound risk management principles and practices across their areas of responsibility recognising employees, Members and those who act on behalf of the Council have a role to play in effective management of risk.

A risk management overview briefing was included in the Member Induction Programme linked to the borough elections in May 2023 and a further training session was provided for Audit Committee.

During the period June 2022 to November 2022 an exercise was undertaken to review the layout and content of the Corporate Risk Register, resulting in an updated "rationalised Corporate Risk Register" being produced and this was effective from November 2022 onwards. Work was also carried out to introduce a Risk Register for the Towns Deal Board which was completed and presented to the Towns Deal Board from January 2023 onwards.

The Corporate Risk Register was presented to Audit Committee in June 2022, November 2022, and February 2023.

5.2.10 Procurement and Contract Management

Areas of Focus

During 2022/23, the Procurement and Contract Management team focussed on a report of spend analysis, procurement compliance, to create wider awareness of the regulations and Contract Standing Orders and how the procurement team can support purchasing departments in gaining best value and meeting our service obligations, through application of best practice in both procurement exercises and contract management.

The procurement team carried out 30 tenders across the Council and the Council's companies. There were 23 exemptions from Contract Standing Orders, which in part relate to the very short timescales on progressing the Town Deal projects and overall programme.

Limited Assurance Audit

An audit of the Procurement and Contract Management service returned a 'limited assurance'. The following recommendations were made:

- High – update Contract Standing Orders
- Medium – increase service areas' engagement with the Procurement Team to ensure all data on procured contracts is captured, introduce mandatory e-learning for all officers, utilise the financial software to its fullest extent to build in checks and balances and support analysis of spend, require utilisation of KPIs and performance management in contracts, prepare guidance and training for Contract Management, create a system for capturing and actioning all Procurement Policy Notes issued by the Cabinet Office and improve arrangements around the Exemptions Register.

Actions against the audit recommendations will be absorbed into a planned Procurement and Contract Management Transformation Project (see below).

Non-Compliant Spend (CSOs)

Non-compliance refers to a compliant procurement method under Contract Standing Orders not being identified by the Procurement and Contract Management team as having been used. Contract Standing Orders are an internal control designed to support best value being achieved and act as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The non-compliant figures are provided with a caveat. They are based on:

- The top 200 contracts throughout the year based on revenue spend (excluding non-influenceable contracts). This equates to £15,628,412.65 of £19,770,678.71 – or 79.04% of total spend
- The top 70 contracts throughout the year based on capital spend (excluding non-influenceable contracts). This equates to £21,268,253.86 of £21,748,270.27 – or 97.79% of total spend

Additionally, non-compliant spend has been treated as contracts that the Procurement and Contract Management team are not aware of. Due to resource constraints, only the top 21 non-compliant revenue contracts have been fully verified as non-compliant which equates to £1,198,157.25 of spend. The capital non-compliant spend has been fully verified. It is possible that valid procurement methods have been used for some or all of the remainder of the revenue contracts, for example via the use of a framework, but the service area did not inform the Procurement team of this. Accordingly, either way, this points to a breakdown in a fully compliant procedure. Resource would need to be identified to carry out a full verification.

The non-compliant spend figures are:

- Revenue – £2,434,724.70 of £15,628,412.65 spend – equating to 15.58% as non-compliant
- Capital – £463,048.63 of £21,748,270.27 spend – equating to 2.13% as non-compliant

The audit requirement for mandatory training for all officers is the primary action required to mitigate this governance failing. Reducing these figures will be a primary object of the Procurement and Contract Management Transformation (see below).

Procurement and Contract Management Transformation

The Procurement and Contract Management team is going to be focussed on various pieces of work being brought together into one Transformation Project:

- Service area transformation - to align the Procurement and Contract Management function with best practice and improve its integration with the rest of the Council and the Council companies
- Responding to the new procurement regime being introduced by the Procurement Act, which is yet to receive Royal Assent, ensuring all new requirements are incorporated and adopted by the Council before the commencement date of the new regime
- A new Procurement Strategy
- Addressing the limited assurance audit recommendations from 2022/23

5.2.11 Equality, Diversity and Inclusion

During 2022/23, as workloads returned to normal following the pandemic, support has been provided to assist managers undertaking equality impact assessments (EIA) as part of the approval process for new policies and services. A key focus during the year has also been on the equality related needs of employees, particular those whose health and wellbeing has been significantly impacted by the pandemic, often due to lack of access to medical services or treatment which has impacted on their ability to undertake normal day to day duties or work-related tasks. Reports on employment monitoring and the gender pay gap have been completed to deadline with relevant information published on the Council's website.

Work has commenced on a review of the existing Equality Policy, to ensure this remains current and consistent with best practice when compared to other district authorities. The need to review the membership of the Equality Working Group has also been identified, to make sure that all areas of the Council are appropriately represented on the group. Steps to gather a central record of completed EIAs has also commenced, with a view to introducing a structured approach to monitoring and evaluating any impacts identified in the assessments.

Plans have also been made to include equality, diversity and inclusion training in the training and induction programme for Elected Members following the May 2023 local elections. This dedicated diversity training also responded to a motion in September 2022 at Full Council requesting such training to be provided.

5.2.12 Personnel Services

A key focus for the service during 2022/23 has been continued support for employment related issues arising from the pandemic. Temporary working arrangements put in place during 2020/21 have been reviewed and adapted to reflect changes as services return to normal operations. The impact of the pandemic on sickness absence, particularly long-term absence for employees unable to access NHS treatment, has required particular focus and sickness absence procedures have been reviewed to ensure these remain fit for

purpose. The delivery of training and development activities has also adapted, moving from solely online delivery back to face-to-face delivery where appropriate.

Recruitment and retention trends have been closely monitored as following low levels of turnover during the pandemic figures increased back to pre-pandemic levels. A review of recruitment advertising style/approach has been undertaken to maximise the effectiveness of adverts, particularly in areas which are hard to recruit. Increased use of progression schemes and reviews of existing progression schemes, such as that in place for Planning, will assist in making our posts attractive to potential candidates. Ongoing support for apprentices, including our corporate apprentice scheme, have proven successful and two additional corporate apprentices have been recruited using funding from the training budget that was not used during the pandemic. A review of apprentice rates of pay has been undertaken to ensure apprentices are appropriately rewarded for the valuable contribution they make as they progress through their training programmes.

Management Development activities have also recommenced, with delivery of two Level 5 Diploma in Management and Leadership programmes commencing during the year and plans put in place for a Level 7 Strategic Management and Leadership Practice to commence early in the 2023/24 year.

5.2.13 Information Technology and Data

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

- ICT Asset Management Policy
- ICT Computer Usage Policy
- ICT Corporate Email Policy
- ICT Corporate Internet Policy
- ICT Security Policy
- ICT Service Desk Policy

The 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. Information security is vital for public confidence and the efficient conduct of business.

ICT Security is paramount, and the Council's ICT has to be compliant with a set of controls outlined by the cabinet office - Public Services Network. There has been a 2022/23 audit of the ICT function, the recommendations from which will be actioned going forwards into 2023/24.

Additionally, our website is subject to a government digital service (GDS) website accessibility audit which involves a comprehensive review of our digital products and services, ensuring that they conform with current legislation and that they are accessible to all users, including those with specific access needs.

Other arrangements are in place to ensure compliance with relevant policies and to ensure that expenditure is legal is the ICT Development Group; a group which for the 2022/23 year consisted of the Portfolio Holder, a second Cabinet Member, an additional Member, the Executive Director for Resources, 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.

Wholly Owned Companies

The Council has three wholly owned local authority companies:

- Alive West Norfolk (Sports and Leisure)
- West Norfolk Housing Company Ltd (WNHC); and
- West Norfolk Property Limited (WNPL).

A full review of the governance 'health check' of the Council companies reported to Cabinet, via the CPP, on 15 November 2022.

The governance 'health check' included a review of the role of elected Members on the Board of Directors, recommended the removal of Statutory Officers from positions in the Company, setting up a Shareholder Committee as a sub-committee of Cabinet to undertake the Shareholder function, appointing a Company Secretary to fulfil governance work for the companies together with the update/adoption of governance documents such as Shareholder Agreements, to regularise the role of the Board and the role of the Shareholder. Service Level Agreements that accurately capture the services the Council provide to the companies are also to be reviewed and adopted.

The first meeting of the Shareholder Committee was held in March 2023. The focus for 2023/24 will be implementing the Action Plan approved by Cabinet to bring the governance of the companies in line with best practice and to embed the role and work of the Shareholder Committee until it has a forward work programme fit for assuring sound governance arrangements of the companies.

During the West Norfolk Property external audit, an issue with the date was discovered on some of the leases for the properties which posed a potential risk to the council. This has since been resolved.

Furthermore, the robustness of the leases between the council and West Norfolk Property are currently in the process of being reviewed to ensure they sufficiently outline what each party is responsible for.

Place, Funding and Projects

During this year, increased focus was directed on programme and project governance. The programme team for the £25m (£37m with match funding) King's Lynn Town Deal was strengthened through the addition of two experienced 0.5 FTEs secondments from other teams within the Council. At the start of the 2022 calendar year, a Project Accountant role was created within the Finance team, to advise upon project appraisals, monitor financial aspects of the Capital Programme and the revenue impact, and work closely with the multi-disciplinary teams dealing with projects and interventions within the Council's major funding programmes. This role gained traction during the year and the reporting of financial information improved through various iterations, with input from Senior Officers and the Town Deal Board. The additional post and resultant work brought about increased assurance to the Council and Town Deal Board around project and programme financial governance.

Project Management Governance

In the Autumn, a temporary Project Delivery & Technical Adviser was brought in to review the Council's project governance and resource arrangements. The adviser was in post for 6 months until the end of March 2023. A 'project maturity assessment' process was undertaken by the Adviser in conjunction with teams within the Place Directorate, covering 9 criteria. The work undertaken has led to an improvement plan being put in place, a key part of which was to establish a small Programme Management Office (PMO) to

principally support the major capital projects / programmes, to provide project oversight, alignment, and control. Various changes were also made during this time to the proposed operating model for projects and the governance arrangements.

The strengthened resource, the impact from the Technical Adviser role and agreed establishment of a PMO is judged to have had a positive impact on governance arrangements within project and programme governance in 2022/23, particularly around project reporting. Regular Project Highlight Reports are now produced and published to the Member Major Projects Board for openness, engagement and accountability to Members and the public.

The improvement plan and other aspects to be strengthened further will be worked on during 2023/24.

Towns Fund Project Management

The development of the projects within the Town Deal has been overseen by the King's Lynn Town Board. The Council is the Accountable Body for this funding. The Town Deal Board has its own Code of Conduct in place.

A comprehensive update report on the Town Deal programme was agreed by Cabinet in August 2021 and at that time, Cabinet had agreed the projects that would be taken through the Business Case process. Member briefings were given on all Town Deal projects in February 2022 and on the governance arrangements / process in March 2022.

During the 2022/23 year, the council and its strategic partner, Norfolk County Council, developed the 7 Town Deal projects agreed in the Heads of Terms agreement with Government, to full business case stage, in accordance with the HM Treasury Green Book appraisal process¹.

Project Progress

As of April 2022, two Business Cases had been completed, submitted to Government and agreed to commence; these were the Boost skills project (formerly known as the King's Lynn Youth Re-training Pledge) and the Rail to River project (formerly known as the Public Realm project).

Through the detailed feasibility work that was progressed between August 2021 and April 2022, project viability for the remaining 5 projects was tested further and project scopes were refined, taking into consideration current day costs, demand and views gathered through further consultation and engagement. As a result of this work the Programme Board and the Town Deal Board agreed in March 2022 that a reprioritisation review of the remaining 5 projects was required in order to determine where funding should be directed/reallocated, while ensuring the original TIP vision and priorities could be achieved. A 'project prioritisation review' was therefore undertaken in the early part of the year under review and was externally led, to ensure that it was robust, objective and evidence based.

The reprioritisation process resulted in the Town Centre Repurposing project being removed from the Town Deal programme, with many of its outputs and outcomes able to be picked up by the Multi-User Community Hub project. The change in Town Deal funding allocation to projects reflected those which were considered a higher priority for funding due to their ability to deliver, their alignment with the original TIP and agreed Town Deal, their strategic importance, their impact in terms of outputs and outcomes; and allowed for cost inflation, contingency and other factors.

¹ The Treasury Green Book appraisal is a rigorous way of conducting an appraisal, consisting of 5 key dimensions: the Strategic Case, Economic Case, Commercial Case, Financial Case and Management Case.

Cabinet agreed in June 2022 that the Town Centre Repurposing project should remain a project to be pursued by the Borough Council outside of the Town Deal programme, leaving 6 projects being taken forward within the King's Lynn Town Deal programme. Cabinet agreed an updated Local Assurance Framework in August 2022.

Town Deal Board Governance

During 2022-23, governance arrangements already in place, continued; this included a Programme Board, chaired by the Chief Executive (to October 2022, then the Projects & Technical Adviser and latterly the new Executive Director for Place) which receive monthly updates and information on progress; this board is in place to ensure that the approved Local Assurance Framework is being complied with. The King's Lynn Town Deal Board have met regularly throughout the year, to ensure programme oversight and management.

Monitoring & Evaluation returns to the Department for Levelling Up, Housing and Communities (DLUHC) were completed fully and submitted on time, with input from the Town Deal Board and Programme Board officers.

An Internal Audit of the Towns Fund took place with an initial consultation review undertaken and presented to the Corporate Performance Panel in October 2022 outlining some areas for consideration for improvements to be made around the governance arrangements in place based upon the Central Government Towns Fund Guidance and Prospectus. These included:

- Considering the inclusion of representatives from local parish councils which lay within the Town Deal boundary.
- Considering expanding the number and range of local businesses represented on the Town Deal Board (including at least one more business with experience in clean growth).
- Reviewing the Town Deal Board Terms of Reference to include embedding arrangements in local plans, undertaking Environmental Impact Assessments, complying with the Equalities Act, ensuring local communities are involved in shaping design and decision making at each phase of development, ensuring diversity in its engagement with local communities and businesses.

All 5 remaining project business cases were scrutinised, agreed by Town Deal Board and Cabinet, and submitted to Government between August and October 2022. All were agreed, and the full amount of £25m was granted to the Borough Council as per the Heads of Terms.

A report was submitted to cabinet in August 2022 which resulted in the approval of amendments to the Local Assurance Framework to make the governance processes more streamlined and fit for purpose.

King's Lynn was also identified as a priority area for Levelling Up, across a range of government programmes, including Towns Fund, Rural England Prosperity Fund and UK Shared Prosperity Funding. In 2022, Norfolk County Council submitted a successful bid for Levelling Up funding for the Southgate's Masterplan and was awarded £24m for a project which will deliver active travel, heritage and sustainability improvements as well as strengthening the identity of King's Lynn and offer benefits for residents and visitors.

Work is progressing on the Hunstanton Masterplan. A Levelling Up bid was submitted in 2022 for a replacement for the Oasis Leisure Centre, situated on the southern seafront at Hunstanton. Unfortunately, the bid was not successful, so further work is in progress to establish clear plans for the future operation of this facility. The Council is also working in partnership with Norfolk County Council on the development of a transport hub in Hunstanton.

The Hunstanton Advisory Group as set up in 2022/23 in response to the levelling up agenda and to create a local consultation body made up of the private and public sector, to be consulted with whenever opportunities for funding in Hunstanton arise.

The Council's Local Plan was submitted in 2022. In January 2023, the Planning Inspectors announced the adjournment of the Local Plan Examination to allow the Council the opportunity to undertake further work to justify the spatial strategy and distribution of housing in the Local Plan Review. Work is progressing to address the points raised by the Inspector.

External Assurance

Governance of the Council is monitored by external organisations as well as the internal governance monitoring and controls in place.

External Auditors

On an annual basis our accounts and not just our financial positions, but many other areas flowing through the Council will be audited by an external company which is appointed through a rotation system. External Audit report to the Audit Committee and any reporting that they wish to flag in terms of concerns will come back into the Council.

The Council's Auditors, EY, independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and providing value for money in the way services are delivered. In reaching an opinion, EY take account of statutory requirements, national standards, their own audit work, and the reports of Internal Audit.

Throughout 2022/2023 the external auditors and the Assistant Director – Resources (Section 151) provided regular updates and assurance to the Council's Audit Committee regarding the efforts to complete the audit of the 2019/2020 statement of accounts.

The Council and its external auditors are working collectively to address the backlog, which applies to numerous English local authorities. Government have consulted on nationwide plans to address the backlog and as such the work that the Council and its external auditors undertakes to catch-up, needs to comply with guidance and legislation as will be determined by central government and its regulatory partners.

Delays to sign off the Accounts does mean that the Accounts remain liable to further amendment in respect of significant events after the balance sheet date. Late audits also delay the assurance that can be placed on them, and further costs can be incurred. The Council has published draft accounts on its website for 2020/21 and 2021/2022.

Local Government and Social Care Ombudsman

The Local Government and Social Care Ombudsmen handles complaints that are dealt with internally where the complainant remains dissatisfied with the response they have had from the Council and the decision notices produced by the Ombudsmen is publicly reported, with any findings reported back through the Council's democratic process.

Details of complaints received during 2022/23 are dealt with at section 5.2.3 above.

Local Government Association

The Local Government Association has a Peer Challenge process and is a source of guidance and advice for the Council. Following a motion to Full Council in December 2022, and proposals approved by Cabinet in March 2023 an LGA Corporate Peer Challenge has been arranged for 2023/24.

Department for Levelling Up Communities and Housing (DLUHC)

The Central Government Department with ultimate regulatory oversight for Local Government is the Department of Levelling Up Communities and Housing. Where systemic failures occur in the governance of a Council, the DLUCH have the powers to step in, intervene and appoint various people into the organisation to return the Council to a position of good governance.

6. Significant Governance Issues

This section summarises the significant governance issues identified during the year and the actions to be taken to address them.

Issue 1: Delays to auditing the Council's Statement of Accounts

- Progress reports have been presented to the Council's Audit Committee throughout the year. The Council's external auditors have also attended the Audit Committee to address concerns. Additional resources have been applied to support the outstanding audits and closure of the annual accounts.

Issue 2: Continued uncertainty of Government funding

- The Council has estimated a Medium-Term Financial Strategy, taking a cautious approach towards assumed government grants for future years. The Council will develop a Cost Management and Income Generation Plan in order to close the budget gap estimated in future years to reduce reliance on funding from the General Fund Reserve.

Issue 3: Failure to complete the written leases for properties leased to West Norfolk Property Limited

- The Council and WNPL both need to instruct for these leases to be completed as a matter of urgency.

Issue 4: Levels of non-compliant spend

- The Procurement and Contract Management Transformation project will be targeting the reduction of non-compliant spend through mandatory training and improvement of systems to make procurement more accessible for officers.

Issue 5: Procurement and Contract Management Transformation

- Procurement and Contract Management received a limited assurance in 22/23. A Transformation project is to be commenced with external support from the East of England Local Government Association (EELGA) to deliver an improved function and raise the understanding and engagement with procurement across the Council.

Schedule 1

Governance Action Plan

Actions reported in 2021/22

Item	AGS Action	Issues/Challenges Identified	Progress 2022/23
1	12-month review of the Executive and Scrutiny Protocol	Any issues?	Update needed
2	12-month review of Community Infrastructure Levy (CIL) proposed governance and spending arrangements		Revised governance arrangements were agreed by Cabinet on 2 August 2022 and will be implemented for future applications in 2023.
3	Ensure Public Services Network (PSN) compliance during 2021/22 including progressing any actions identified because of the 2020 audit.	PSN compliance across Local Authorities is being reviewed by Central Government currently.	We still retain the major element of an ICT health check and are in the process of bringing in National Cyber Security Centre approved CHECK assessors.
4	Review the governance framework of the council's wholly owned companies.	Review was delayed pending publication of relevant guidance by CIPFA in May 2022.	Report received from Anthony Collins Solicitors July 2022 and under consideration by Cabinet. Listed on the Forward Plan for October 2022,
5	To provide company director training for directors appointed to its companies.	Review was delayed pending publication of relevant guidance by CIPFA in May 2022.	Report received from Anthony Collins Solicitors July 2022 and under consideration by Cabinet. Listed on the Forward Plan for October 2022,
6	To support the Internal Audit review of the council's approach to developing the annual	There have been capacity issues whilst in the process of setting up the new in-house Corporate Governance Team.	Ongoing. Amendments made to the AGS for 2021 and 2022. The length of the draft AGS 2022 is comparably shorter than previous documents.

	governance statement.		
7	To enhance and develop the operational processes of the new financial ledger software.	The new financial management system went live in April 2020 just as the initial Covid restrictions were put in place. Several issues emerged on the system which took time and resource to resolve.	Training has been focussed on specific areas and is now being more widely delivered (with a training development programme being devised and modules to support it). Other system development work is being considered as part of an improvement plan.
8	To support joint working with Department for Work & Pensions and participate in the Norfolk Counter Fraud Hub.	Some FraudHub members are currently having difficulties in resourcing fraud areas. The lead sponsor, Norfolk County Council, has recently agreed to a further 2 financial years funding of the FraudHub. However, there has been no recent meeting held with the Norfolk FraudHub Steering Group. This is due to the impact from the pandemic and other workstreams continuing as a result of it.	Funding has been agreed through the lead sponsor to continue with the Single Person Discount (SPD) review project for the current financial year 2022/2023. DWP joint working has now resumed following the Covid-19 pandemic and the redeployment of many of the DWP investigation Team. Contact has recently been received on a case for joint working purposes.
9	To develop revised social media protocols.	Rescheduled to December 2023 to link with the review of practices after the forthcoming borough elections.	Postponed to December 2023.
10	Development of a training programme to support the equalities policy.	Programme development and delivery rescheduled to March 2023.	Progress has been delayed due to the need update the Equality Policy. Once an assessment of changes required to the policy has been undertaken a training programme will be developed to support current best practice.
11	To transfer the function from Eastlaw including related staff recruitment and data transfer.	Any issues?	Assistant Director for Legal & Licensing appointed. Update needed on recruitment and data transfer.
12	To enhance the Local Assurance Framework and governance related to the King's Lynn Town Deal Board.		Engagement with panels and Cabinet on draft business cases. Compliance with DLUHC annual assurance requirements. LAF reviewed by Cabinet on 10 August 2022. Internal Audit review of Towns Fund management and Governance Arrangements undertaken in September 2022. Ongoing advice from Monitoring Officer to Town Deal Board on governance matters including conflicts of interest matters.
13	Provision of training for officers and members to embed the refreshed risk		Cabinet agreed a refreshed policy and strategy on 26 September 2022. Training approach to be developed

	management framework.		and implemented.
14	To progress the following recommendations: <ul style="list-style-type: none"> • Planning Control 2020/21 – Limited Opinion Medium Recommendation • Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation • Property Services- Child Protection 2019/20 – Substantial Opinion High Recommendation 		Update needed
15	Development of a local response to the cost-of-living crisis.		Officer working group being established. Council Tax Energy Rebate distributed including a discretionary payment for vulnerable people. Promotion of Solar Together Norfolk to encourage residents to install solar PV/batteries as a way of reducing energy bills in the longer term in addition to reducing carbon emissions. “Beat your Bills” events held across the borough.

New Actions identified in 2022/23

AGS Action	Issues/Challenges Identified	Context to Action
Undertake a review of the Council’s equality policy, benchmarking with current best practice within local authorities	The Equality Policy was last updated in 2018. Whilst the current policy remains consistent with legislative requirements it is also important to ensure that it continues to reflect current thinking and best practice in a local authority context.	The Assistant Director Central Services and corporate policy team will review the format and content of the current equality policy, to ensure it remains current and reflective of best practice, including benchmarking content/style with that of other authorities. This will ensure the Policy remains appropriate and fit for purpose considering recent developments in equalities.
Undertake a review of the process and paperwork used to complete Equality Impact Assessments	EIA procedures have not been reviewed or updated from some time and we need to ensure that our processes continue to reflect best practice.	EIAs are a valuable tool in demonstrating the Council’s compliance with the requirements of the Public Sector Equality Duty. It is important for the processes we follow to be robust, well embedded and used effectively. The corporate policy team will undertake this review and build any proposed changes/improvements into the work

		plan for equalities going forward.
Undertake a review of the terms of reference and membership of the Corporate Equality Working Group	The terms of reference for the group need to be refreshed in line with proposed changes to the Equality Policy and the group membership needs to be updated to reflect changes within the Council's organisational structure, to ensure all services are appropriately represented.	The Assistant Director Central Services, in consultation with Senior Leadership Team, will review the Terms of Reference and Membership of the group to ensure these remain fit for purpose and relevant to the needs of the Council.
Source and delivery equality training for Elected Members	It is some time since training was delivered to Elected Members. The new member induction training programme/refresher training programme for returning Members, which will be delivered following the local elections in May 2023, provide the idea opportunity to address this training need.	The Assistant Director Central Services will work with Democratic Services to ensure that this training is included in the member training programme. The Assistant Director Central Services will identify and work with a training provider to ensure the training is tailored to meet the needs of Elected Members.
Project Management	A project management software solution would help to align project governance, project delivery and project management office processes, improve efficiency and provide opportunity for automated and improved reporting.	Scope, tender and implement project management software.
Procurement and Contract Management	Limited Assurance Audit Opinion.	Agreed recommendations to be progressed to action.
Procurement and Contract Management	Preparation required for new legislative requirements.	EELGA diagnostic exercise, workshops, and training to be arranged.
Implement Cost Management and Income Generation Action Plan	Short-term and below inflation funding settlements from Central Government lead to an increasing gap between expenditure and income for future years as stated in the Medium Term Financial Strategy.	The Cost Management and Income Generation Action Plan will enable opportunities to be considered to better position the Council to close the budget gap. Although it is unlikely to fully close the gap.
Improve quality of working papers that explain the calculation of notes in the Statement of Accounts to support review by external audit.	The lapsed time and changes in finance and external audit staff between drafting of the accounts and the performance of the external audit result in knowledge gaps and re-working of audit tests. Increasing the need to effective working papers.	Effective instructions within and quality checking of working papers improves the ability of independent reviewers to understand the working, particularly when delays are encountered to audit timescales.
Review the membership of the Equality Working Group.	There is a need to ensure that all areas of the Council are appropriately represented on the group.	Ensuring all areas are appropriately represented will allow for a consistent approach across the council.

Schedule 2: How the Council Works

Governance Model

The Council operates under 'executive' arrangements, meaning it has a 'Leader' and a 'Cabinet'. The majority of functions are executive, meaning that the responsibility for decision making flows through the Leader and Cabinet through to officers. Examples of executive functions are waste collection, noise complaints and regeneration projects. The remainder of the functions are retained as 'non-executive' and are the responsibility of the Council's Full Council. This includes functions such as setting the budget, the Council's Constitution and the policy framework.

Full Council

Full Council consists of 55 elected Members, called Councillors. They are elected by the voters, in elections held every 4 years, in areas which constitute Borough Wards. We have 35 Borough Wards in West Norfolk.

Councillors can be part of a political Group. During 22/23 the political group make up of the Council had some minor revisions during the year, the latest make up as of 31st March 2023 was:

- Conservative Group: 29
- Independent Group: 14
- Labour: 9
- Independent Members in no Group: 3

The Full Council meets approximately every six to eight weeks.

Cabinet

The Cabinet is made up of the Leader (Cllr Stuart Dark) of the Council and 7 other Cabinet Members. The portfolios of the Cabinet Members during 22/23, as at 31 March 2023 were:

- Cllr Graham Middleton, Deputy Leader – Business, Culture and Heritage
- Cllr Paul Kunes, Environment
- Cllr Sam Sandell, People and Communities
- Cllr Richard Blunt, Development and Regeneration
- Cllr Angie Dickinson, Finance
- Cllr Adrian Lawrence, Property
- Cllr Brian Long, Corporate Services

The Leader's portfolio covers:

- Overall responsibility for setting the Vision for Council and supporting Strategy;
- Overall responsibility for the submission to Council of Policy;
- Overarching responsibility for Cabinet portfolios;
- Developing and managing external Strategic relationships;
- Public Emergencies, Emergency Planning and Emergency Management;
- Democratic arrangements;
- Communication strategy and implementation;
- All staffing related matters;
- Health and Safety as an Employer;
- Equal opportunities strategies and policies;
- Performance issues. KPIs and data quality;
- Civics;
- Legal – Data Protection and Freedom of Information;
- Skills;
- Safeguarding; and
- Any executive functions not covered by another portfolio.

Overview and Scrutiny

The counter-weight to the Leader and Cabinet executive arrangements governance model is the overview and scrutiny function. Scrutiny Committees are in place to scrutinise executive decisions before or after they are made to help develop policy and review the effectiveness of adopted policies. Within the Council, these responsibilities are split across 3 panels, and these are collectively referred to as the “Policy Review and Development Panels”:

- CPP (including ‘call-ins’ of executive decisions)
- Regeneration Development Panel
- Environment and Community Panel

Audit Committee

The Audit Committee provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework, internal control environment reviews and approves the Council’s annual Statement of Accounts. It receives updates on the Risk Management processes in place, the effectiveness of the Council’s counter fraud and corruption activities, approves the Annual and Strategic Internal Audit Plans and receives progress updates against the Annual Internal Audit Plan and the Annual Audit Opinion.

Constitution

The Council’s Constitution sets out how the Council procedurally operates, its organisational structure, how the public can participate, how decisions are made and the roles and responsibilities within the Council to ensure that decisions are made in an efficient yet transparent manner and accountable to local people. It specifies the roles and responsibilities of the executive and non-executive, setting delegation arrangements and protocols for effective communication and governance.

The Constitution includes the Council’s Financial Regulations, the Councillor Code of Conduct, Contract Standing Orders, the Member/Officer Protocol, and the Members Allowances Scheme.

Budget and Financial Management

The Council's budget is set by the Council each year, usually in February. The budget includes the revenue and capital expenditure, income, and savings plans. It is developed in consultation with service managers and is aligned with the Council's strategic objectives:

- Financial Monitoring Reports are prepared at least quarterly and presented to Audit Committee. All Councillors all receive a copy of the report which provides an update on the Council's financial position against the budget. They highlight any variances, emerging risks, and propose corrective actions where necessary.
- The Medium-Term Financial Strategy is a rolling plan that covers a five-year period (updated position for current financial year and the next 4 years). It provides a framework for future financial planning, identifying potential budget gaps and setting out strategies to manage resources effectively to help ensure long-term financial sustainability and resilience.
- The Annual Statement of Accounts is a statutory report that provides a comprehensive summary of the Council's financial position over the financial year. It includes the balance sheet, income and expenditure account, and other key financial statements. The accounts are prepared in accordance with the CIPFA Code of Practice and are subject to external audit.
- Treasury Management Reports are provided to the Audit Committee half yearly, detailing the Council's borrowing and investment activities. These reports ensure that the Council's treasury management strategy is being implemented effectively and that risks are being managed.
- The Capital Strategy is a key policy that sets out the Council's approach to capital investment over the medium to long term. It is aligned with the Council's corporate priorities and provides a framework for decision making regarding capital expenditure and financing. The Capital Strategy is reviewed annually alongside the Capital Programme as part of the budget-setting process.

Corporate Business Plan

The Corporate Business Plan was reviewed and updated for the period 2021-2023 because of a change in the leadership of the executive. The plan represents the remaining period of the current administration term up to the Local Government elections due in May 2023. The key priorities set out within the Corporate Business Plan are outlined in "The Golden Thread" section below.

Code of Conduct

In accordance with the Localism Act 2011, the Council has adopted a Code of Conduct for Councillors. The Code supports the Council's duty to promote and maintain high standards of conduct and is based on the 'Seven principles of public life' and the Local Government Association's Model Code of Conduct. The Code of Conduct was reviewed and a new version adopted during 2022/23.

A Code of Conduct for Officers is also in place to set out the standards expected of employees and to promote the highest standards of conduct from all employees who work in local government. A copy of this Code is made available to every employee of the Council.

Observance of these Codes helps to maintain and improve standards and ensure openness and transparency with regards to any issues of potential bias and/or conflicts of interest.

Registers of Members interested are kept in respect of all Borough Councillors and Parish Councillors within West Norfolk. A Gifts & Hospitality Register is also maintained.

The Golden Thread



Corporate Business Plan 2021 -2023

Focusing on Delivery
 Delivering growth in the economy and with local housing
 Protecting and enhancing the environment including tackling climate change
 Improving social mobility and inclusion
 Creating and maintaining good quality places that make a positive difference to people's lives
 Helping to improve the health and wellbeing of our communities



Directorate Service Plans

Central Services
 Environment & Planning
 Health, Wellbeing & Public Protection
 Operations & Commercial
 Programme & Project Delivery
 Property & Projects
 Regeneration, Housing & Place
 Resources
 Legal and Licensing



Corporate Governance

Constitution
 Corporate Risk Register
 Statutory Officers
 Key Performance Indicators, Performance monitoring and Performance Management Scheme
 Annual Governance Statement
 Internal Audit
 External Audit
 Medium Term Financial Plan
 Town Deal Board Governance
 Shareholder Committee



Performance Management Scheme

Personal objectives and targets
 Personal development and training opportunities
 Appraisals, 1-2-1s and Team Meetings

Project Management

The Council has a Capital Programme of £205,154,120 for the period 2022/23 to 2026/27. The Council monitors ongoing 'Major Projects' through the Officer Major Projects Board and the Member Major Projects Board. Project Highlight Reports for all Major Projects are produced quarterly and published for openness and transparency through the Member Major Projects Board. The Council has set up a Project Management Office to support the co-ordination of delivery of the Major Projects.

King's Lynn has a Towns Fund Deal with Central Government. The Council is the Accountable Body for the Towns Fund. Governance arrangements are in place to support the King's Lynn Town Deal Board, which includes a Local Assurance Framework, Terms of Reference, and their own Code of Conduct.

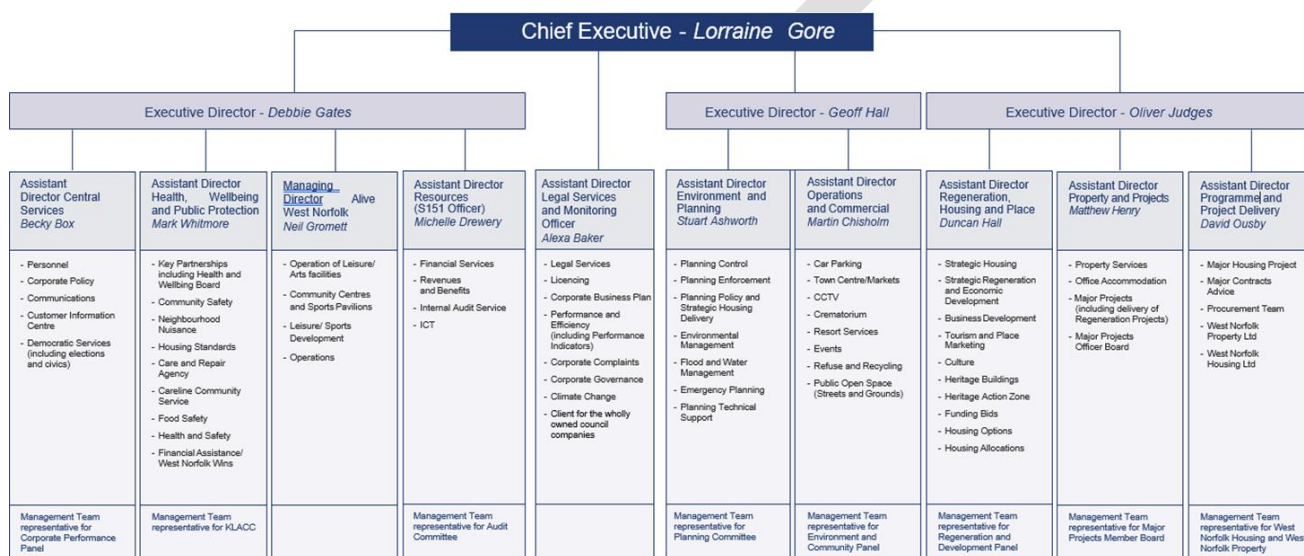
Statutory Officer Meetings

The Council has a Chief Executive (Head of Paid Service), a Monitoring Officer, and a Section 151 Officer – the three statutory officers of the Council. During 2022/23 'Statutory Officer Meetings' were scheduled monthly.

This provides a platform for the three officers to share intelligence related to areas of governance, assurance, budgets, risk, and organisational decision making.

Management Team and Senior Leadership Team

The current management structure of the Council was introduced in January 2020 and supports a collective and accountable leadership, enabling colleagues throughout the organisation to deliver the priorities, projects and actions set out by the Council’s political administration. The structure is headed by a Chief Executive (Head of Paid Service), supported by 3 Executive Directors (in February 2023 the Council introduced a new Executive Director for Place), who together form the Management Team (“MT”). The Senior Leadership Team (“SLT”) is made up of the Management Team plus the 9 Assistant Directors and the Managing Director of Alive West Norfolk :



Key Roles

The key roles of those responsible for developing and maintaining the Governance Framework are:

The Council	<p>Approval of the Corporate Business Plan.</p> <p>Approves the Constitution (including the Financial Regulations and Member Code of Conduct)</p> <p>Approves policy framework and sets the budget.</p>
Cabinet	<p>The executive decision-making body of the Council.</p> <p>Cabinet is made up of the Leader of the Council and Cabinet Members with responsibility for different portfolios.</p>
Audit Committee	<p>Provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework and internal control environment.</p> <p>Approves the Annual Statement of Accounts and Annual Governance Statement.</p>
Standards Committee	Promotes high standards of Member conduct.
Corporate	Fulfil the statutory overview and scrutiny functions, as the counter-weight to

Performance Panel	<p>the ‘Leader and Cabinet’ model.</p> <p>Its functions also extend to policy review and development.</p>
Management Team (Chief Executive and Executive Directors) and Senior Leadership Team (CE, EDs and ADs)	<p>Provide strategic oversight on:</p> <ul style="list-style-type: none"> • the Corporate Business Plan and emerging issues • key policy items • internal control issues, including risk management • performance management • compliance, including governance • value for money; and • financial management <p>Accountability for developing and maintaining of the Council’s performance and risk frameworks.</p>
Chief Executive (Head of Paid Service)	<p>It is the role of the Chief Executive, also known as the Head of Paid Service, to ensure that all the authority’s functions are properly co-ordinated as well as organising staff and appointing appropriate management.</p> <p>The Chief Executive has overall accountability for the governance framework and operation of the organisation and staffing.</p>
Assistant Director, Resources (S151 Officer)	<p>Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well, being suitably qualified and experienced, and ensures the Financial Services Team is fit for purpose.</p> <p>Assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.</p> <p>Contributes to the effective corporate management and governance of the Council.</p>
Assistant Director for Legal and Licensing (Monitoring Officer)	<p>The Monitoring Officer ensures that the Council observes its Constitution and operates legally.</p> <p>Key duties include:</p> <ul style="list-style-type: none"> • Reporting on matters they believe to be illegal or amount to maladministration; • Responsible for matters relating to the Conduct of Councillors (Borough and Parish); and • Responsible for maintaining and advising on the operation of the council’s Constitution. <p>Overall responsibility for the maintenance and operation of the Whistleblowing Policy.</p>
Internal Audit	<p>Provides independent assurance and opinion on the adequacy and effectiveness of the Council’s governance, risk management and control framework.</p> <p>Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity.</p> <p>Contributes to the effective corporate management and governance of the Council.</p>

	Makes recommendations for improvements in the management of risk.
External Audit	Audits / reviews and reports on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion).
Assistant Directors, Heads of Service and Managers	<p>Through the relevant service areas, implement the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.</p> <p>Responsible for implementing the Council's governance, risk, and control framework. Contribute to the effective corporate management and governance of the Council.</p>

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