

**WARRINGTON**  
Borough Council



**ANNUAL GOVERNANCE  
STATEMENT  
2018-2019**

# CONTENTS

	<b>Page</b>
1. Corporate Governance	1
2. The Annual Governance Statement	2
3. The Governance Framework	2
4. Review of Effectiveness	4
5. Significant Governance Issues	6
6. Future Developments	8
7. Conclusion	9
Appendix 1 Assessment of Effectiveness	
Appendix 2 Actions from 2017-2018 Annual Governance Statement	
Appendix 3 Actions from 2018-2019 Annual Governance Statement	
Appendix 4 Framework of Assurance	

## **Warrington Borough Council Vision Vision for 2020:**

We will work together with our residents,  
businesses and partners to create a place that works for all

### **1. Corporate Governance**

Corporate Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance ensures that the Council provides for effective leadership and management in the use of public money; ensures the delivery of high quality services to all taxpayers and citizens; and achieves the desired outcomes for service users and communities.

Warrington Borough Council acknowledges its responsibility for ensuring that there is a sound system of governance. The Council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Code can be accessed on the Council's website at: [http://www.warrington.gov.uk/info/200355/budget\\_and\\_spending/35/governance\\_statements\\_and\\_reports](http://www.warrington.gov.uk/info/200355/budget_and_spending/35/governance_statements_and_reports) or can be obtained by writing to the Council's Deputy Chief Executive and Director of Corporate Services. The principles upon which it is based are summarised in this Statement.

## 2. The Annual Governance Statement

The Accounts & Audit (England) Regulations 2015 require the Council to prepare and publish an Annual Governance Statement. This is a public document that reports on the extent to which the Council complies with its own Code of Corporate Governance. The Annual Governance Statement explains how the Council makes decisions; manages its resources in line with the Council's priorities; and achieves the required outcomes for service users and communities.

In the Annual Governance Statement the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period (appendix 1)
- Provides details of how the Council has responded to any issue(s) identified in last year's governance statement (appendix 2)
- Reports on any significant governance issues identified from this review and provides a commitment to addressing them

## 3. The Governance Framework

### Scope of Responsibility:

Warrington Borough Council is responsible for ensuring that:

- Business is conducted in accordance with the law and proper standards
- Public money is safeguarded, properly accounted for and used economically, efficiently and effectively

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

### Purpose of the Governance Framework:

The Council's governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled and activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The framework aims to ensure that in conducting its business the Council:

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

### The Governance Framework:

The governance framework sets out how the Council is operating in order to demonstrate compliance, ongoing improvement, its commitment to maintaining the highest ethical standards and levels of governance. The governance framework has been in place at Warrington Borough Council for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

The Council has based its governance framework on the CIPFA/SOLACE guidance 2016 'Delivering Good Governance in Local Government'. The framework sets out seven core principles for good governance. Appendix 1 provides a summary of key elements of the Council's governance framework and how they relate to the seven principles.

## 4. Review of Effectiveness

Warrington Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Management Team who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

In March 2019 a full review against the Code of Corporate Governance was carried out. This review was undertaken by Senior Management Team and overseen by the Council's Deputy Chief Executive and Director of Corporate Services.

This draft Governance Statement has been reviewed by the Senior Management Team; Deputy Chief Executive and Director of Corporate Services; the Monitoring Officer; and the Head of Internal Audit before being presented to the Audit & Corporate Governance Committee for approval.

The Council relies on the following sources of assurance in order to maintain and review the effectiveness of the system of governance:

- **Member scrutiny** – Standards Sub-Committee; Overview and Scrutiny function; Constitution Sub-Committee; Executive Board; Audit and Corporate Governance Committee.
- 
- **Management** - The Senior Management Team has responsibility for developing the Risk Management Strategy and processes, including the communications and reporting structure for strategic risk.
- 
- **Management** - Executive Directors and Assistant Directors have responsibility for the development and maintenance of the governance environment and provide formal assurance to Directorate Management Teams by their responses to the assurance statement questionnaires. The process of self-assessment for 2018/19 has been subject to review and challenge at Directorate Management Team meetings and evidence to support the assessment collated. Where gaps have been identified, action plans have been, or are in the process of being, prepared.

- **Internal Review** – The Governance Group maintains a comprehensive action plan to ensure continuous improvement of the governance arrangements are in place.
- **Internal Audit** – Internal Audit Services examine the effectiveness of the Council’s internal controls. Based upon the work undertaken during 2018/19 the Head of Internal Audit provided the Council with a ‘satisfactory’ assurance opinion on the control framework and on the controls reviewed as part of the internal audit work. The opinion for 2018/19 has not been able to consider key assurances from the Council’s external auditors.
- **External Audit** - The Council’s appointed auditors are Grant Thornton. The audit of accounts was not concluded before 31 July 2018. This was due to a public objection to the accounts that was received by the external auditors during the public period of inspection; resolution of this is presently ongoing. Grant Thornton have subsequently not issued their Annual Findings Report and Annual Audit Letter for 2017/18 which gives an opinion on the financial statements. Grant Thornton have also not issued their Value for Money Opinion for 2017/18 which gives a conclusion on the Council’s arrangements to secure economy efficiency and effectiveness in its use of resources.
- **External Review** – Review and any findings and feedback from external inspectorates.

The results of the annual review of the effectiveness of the key elements of the Council’s governance processes during 2018-19 are set out in the table in Appendix 1.

## 5. Significant Governance Issues

Appendix 2 sets out the governance issues that the Council raised as part of the 2017-18 Annual Governance statement. A description of the issue along with details of the actions undertaken to date, and any further actions required to manage the issue is also given.

Appendix 3 sets out the governance issues below that the Council has raised as part of this 2018-19 Annual Governance Statement. These actions have been combined with additional work being undertaken by the officer Governance Group to form a comprehensive improvement plan.

## **Significant governance issues at the current time are as follows:**

### **Annual Accounts**

The audit of accounts was not concluded before 31 July 2018. This was due to a public objection to the accounts that was received by the external auditors during the public period of inspection; resolution of this is presently ongoing. Grant Thornton have subsequently not issued their Annual Findings Report and Annual Audit Letter for 2017/18 which gives an opinion on the financial statements. Grant Thornton have also not issued their Value for Money Opinion for 2017/18 which gives a conclusion on the Council's arrangements to secure economy efficiency and effectiveness in its use of resources. Opinions on the financial statements and Value for Money Conclusion cannot be provided until the objection process has been completed.

### **Budget / Savings Programme / Council Transformation / Commercialism**

Government funding is progressively decreasing to virtually zero and the Council will need to continue to make efficiency savings. Following a number of spotlight sessions with Members, the Council approved a balanced budget for 2019/20 in February 2019. The robust monitoring of achieving this financial plan has commenced in the current financial year via the Outcomes Based Budgeting Board and a monthly financial dashboard is under development to ensure wider more holistic financial monitoring is available to senior officers and members at an appropriate level of detail. SMT review the financial position on a monthly basis with the Section 151 Officer reviewing more regularly; ongoing budget monitoring will link to the work underway to transform services.

In March 2019, the Council participated in a Local Government Association (LGA) Peer Challenge. The Peer Challenge is an improvement tool offered by the LGA to help councils improve and focus on what is important at a local level. The peer review team spent four days on a site visit to Warrington and held numerous interviews and focus groups with staff, trade unions, elected members and partners. The LGA peer review endorses the development of wider budget monitoring and reporting framework which will be available from Quarter 1 of the new financial year. Further areas for consideration and improvement which will be addressed during 2019/20 include: developing a new Vision and priorities for the Council; taking a "One Council" approach and enhancing internal and external corporate communication and engagement; and re-invigorating our communication with residents to understand their priorities.

Significant challenges remain in both achieving the challenging financial targets set for the 2019/20 financial year and also addressing the savings requirement of £45m for the next four year budget setting period. The generation of income and cost avoidance projects focus heavily in the Council's financial plan including an expanding property investment programme. The Council recognises that sound financial and governance processes are required in the new ways of funding and that the expanding and

diverse nature of projects require new skills and sufficient staff capacity. The Council's Commercialism programme, and governance around it, is covered in detailed in the Council's Capital Strategy agreed by full Council on 28<sup>th</sup> February 2019.

**Information Governance and Cyber Risks** - Ongoing compliance with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR) remain a key focus area of the Senior Information Risk Owner (SIRO), the Information Governance Team and the Information Governance Group. The Council reported four breaches to the Information Commissioner's Officer (ICO) in 2018/19. All of the incidents were closed with no with regulatory action taken and in all cases the Information Commissioner was satisfied with the action that the Council had taken. The increased awareness of the ICO's position as regulator has seen an increase in both requests relating to individual rights, but also complaints to the ICO on how the Council has dealt with their queries such as freedom of information requests or subject access requests. Regular reporting to the SIRO is in place and SMT reports at appropriate intervals. The data protection mandatory eLearning course has been updated to ensure that it covers the Data Protection Act 2018.

Cyber-attack is recognised as a key risk to the Council. Revised guidance from the UK government now states this is amongst the biggest emerging threats to the UK and alongside terrorism and a flu pandemic is among the key dangers to UK security. The volumes of cyber-attack keep increasing and the cyber-attack capabilities are continually evolving, so this is an area which needs constant vigilance and a continuous improvement approach. There is a rolling programme of work that identifies and remediates potential vulnerabilities in our technology estate and mitigation of risks.

**Project Governance** - The Council is committed to high standards of governance and has continued to develop robust governance and risk management arrangements for schemes to deliver regeneration and innovative, entrepreneurial invest to save schemes. It has been recognised by officers that robust programme management arrangements are essential and work continues to maintain robust performance monitoring and reporting mechanisms for all major projects. Capital Investment Planning Group (CIPG) meet monthly and progress against capital schemes is reported to each CIPG meeting. CIPG ensure key reports and decisions are scheduled appropriately. The Environment & Transport and the Growth Directorate operate a sub group of CIPG which reports regularly into the CIPG meetings. The larger projects continue to be supported by their own scrutiny processes, including Time Square, Great Sankey Hub and the housing company. The Project Managers include corporate governance in all of their plans, they also react as required to enquiries from Members, MPs and the public when appropriate.

**Health & Social Care Integration** - The Council has developed a Joint Commissioning Strategy with the Clinical Commissioning Group (CCG) to support delivery of the Warrington Together Programme. The Health and Wellbeing Board, the Integrated Commissioning Transformation Board, and Warrington Together, all work together through a Whole Systems Transformation Programme; all

steering group partners signed up to planned changes. Development of the Frailty Storyboard by the CCG and Commissioning Prospectus has identified key factors across the health system which impact on service delivery and can be addressed through Warrington Together. Terms of reference for Boards sets out the duties of the Boards in relation to the joint working arrangements. Joint working arrangements eg. Warrington Together and Better Care Fund (BCF) are supported by legal and financial agreements as appropriate. Formal partnerships are set out in contractual frameworks and have appropriate legal agreements in place.

**Workforce and Brexit** - It has been recognised by the Council that a key risk which should continue to be monitored, due to the changing nature of the Council's business and the expanding and diverse nature and complexity of activities, is whether the capacity of officers across the organisation is sufficient for them to be able to fulfil their responsibilities effectively. Demand for services continues to increase and is recognised as a national issue. Continued consideration is given to the impact of Brexit and the potential loss of staff in services provided directly by the Council or in services provided by partners. Staffing structures are under constant review and new developments in agile and dynamic outcomes based working will support the move to the new Council offices.

## 6. Future Developments

**Strategic Development** - The Council continues its strategy of investing in property for an investment return. All investments are subject to a comprehensive business case and external expert review and are approved by the Executive Board. Ongoing monitoring of the Investment Portfolio is carried out by the Property Investment Group which is made up of professional officers from across the Council. External monitoring reports are also produced on a quarterly basis. Birchwood Park which is the Council's largest property investment is monitored by a separate Birchwood Park Panel consisting of officers from across the Council and quarterly external monitoring reports are also completed.

The Council also owns a 33% share in Redwood Bank. The Section 151 Officer has observer rights on the Board. All Board papers are also reviewed by the Council's Corporate Loans Group.

The Council continues with its policy of giving loans to Housing Associations. All Loans granted are subject to independent due diligence and legal advice and a full business case is approved by the Executive Board. The Loans are monitored on an ongoing basis by the Council's Corporate Loans Group which is made up of senior professional officers from across the Council.

The Council's non-financial investments are reported in the quarterly Treasury Management monitoring reports to the Audit and Corporate Governance Committee.

**Budgetary Position and Transformation of Services** - There are severe financial risks attached to non-delivery of savings targets; transformation of services through demand management; commercialism; and digitalisation.

**Housing Company** - The Council formed two housing companies during 2018/19 which will once again enable the Council to build houses. These companies were subject to a comprehensive business case agreed by the Executive board at their January 2018 meeting and ongoing strong governance.

## 7. Conclusion

The review of the Council's governance arrangements for 2018/19 has been undertaken in order to produce this statement and to ensure the effectiveness of governance arrangements in place and compliance with the code of corporate governance. The review highlighted a number of governance issues that require attention and action is being planned and/or taken as noted in the statement.

**With the exception of the internal control issues that we have outlined in this statement, our review confirms that the Council has a generally sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.**

**Signed:**

.....  
Councillor Fitzsimmons  
Chair of the Audit and Corporate  
Governance Committee

**Date:**... ..

**Signed:**

.....  
Councillor Bowden  
Leader of the Council

**Date:**

**Signed:**

.....  
Matthew Cumberbatch  
Monitoring Officer

**Date:**.....

**Signed:**

.....  
Steven Broomhead  
Chief Executive

**Date:**.....

<b>CORE PRINCIPLE A</b>	
<b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<p><b>Behaving with Integrity</b></p> <p><b>Demonstrating strong commitment to ethical values</b></p> <p><b>Respecting the rule of law</b></p>	<p>The Council has a robust Constitution in place that sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, proportionate, transparent and accountable. The current version of the Constitution, with updates and revisions, was agreed at full Council in May 2019.</p> <p>The Constitution contains the Code of Conduct for staff and members. A revised Code of Conduct for Councillors was approved by the Standards Committee and submitted to Annual Council for adoption in May 2019 following the release of the report of the Committee for Standards in Public Life (31<sup>st</sup> January 2019 release date). Work has been undertaken during 2018/19 to make the process more robust and the role of the Independent Persons who support the work of the Standards Committee has been enhanced. The term of office of the Independent Persons has been extended and further training has been provided for them; training has also been provided for a number of parish councils. New procedures have been agreed and the Constitution amended and agreed at full council. A Member is in place for investigations and a revised Member/ officer protocol developed.</p> <p>The Code of Conduct for employees was reviewed and updated early in 2017 and a section was added to provide advice and guidance to employees who may be approached in the course of their duties to be the executor or beneficiary of a service user's will and to make it clear that this is not permitted. An additional appendix was also added to provide detailed advice and guidance around gifts and hospitality. Registers of gifts &amp; hospitality and member &amp; officer interests were maintained. Individual member's interests are published on the Council's website. Elected members receive a reminder annually to review and, if necessary, update their declaration of interests forms.</p> <p>An Annual Fraud Report has been produced by the Internal Audit manager which demonstrates the work that the Council has undertaken in the year to investigate instances of fraud and whistleblowing allegations and to highlight the proactive levels of work being undertaken. This was presented to the</p>

	<p>Audit &amp; Corporate Governance Committee in April 2019. CIPFA issued the “Code of Practice on Managing the Risk of Fraud and Corruption” in 2014 and internal assessment against the Code indicates 80% compliance which is classed as a “Good” level of compliance (up from 78% in 2017-18). Having considered all the principles in the Code the Internal Audit manager is “satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.”</p> <p>The Monitoring Officer’s functions include maintenance of the Constitution, supporting the Standards Committee and ensuring lawfulness of decision making. The Legal Service is accredited and annually assessed against national governance and performance criteria as part of the Law Society ‘Lexcel’ standard. The Deputy Chief Executive and Director of Corporate Services is the Council’s Senior Information Risk Owner.</p> <p>The Customer Complaints and Feedback Policy has been refreshed as part of the Customer Strategy.</p> <p>Every contract that the Council enters into adheres to the Public Procurement Regulations and requires high standards of transparency and ethics.</p>
--	--

<b>CORE PRINCIPLE B</b>	
<b>Ensuring openness and comprehensive stakeholder engagement</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<p><b>Openness</b></p> <p><b>Engaging comprehensively with other organisations that the Council needs to work with to improve services and outcomes</b></p> <p><b>Engaging with individual citizens and service users effectively</b></p>	<p>The Corporate Strategy 2018-2020, which was refreshed in 2018-19, sets out the vision and key priorities for the Council over a 2 year period. The strategy is informed by development of strategic commissioning intentions.</p> <p>The Health and Wellbeing Board agrees the Warrington Health and Wellbeing Strategy; the strategy provides the overarching vision and priorities for Warrington and is used to direct strategic decisions across all partner organisations in the borough. A new Health and Wellbeing Strategy has been produced for 2019-2023. There are a range of multi-agency groups and sub-groups that support the delivery of the Health and Wellbeing Strategy, the Corporate Strategy and other strategic plans.</p> <p>The 'Warrington Together' programme will address identified key factors across the health system which impact on service delivery. The Council has developed a Joint Commissioning Strategy with Warrington Clinical Commissioning Group (CCG) to support delivery of the 'Warrington Together' Programme.</p> <p>The Council works with a number of other key partners to deliver services including: Warrington Borough Transport; LiveWire / Culture Warrington; and Torus Housing Group.</p> <p>Warrington's Safeguarding Children Board and Safeguarding Adults Board are responsible for ensuring that local safeguarding arrangements are effective and that partners act together to help and protect children and adults at risk of abuse or neglect. Warrington's Safeguarding Children Board will be replaced by the Safeguarding Partnership, which was launched on 1<sup>st</sup> April 2019.</p> <p>A statutory SEND inspection by Ofsted and Care Quality Commission (CQC) in December 2018 resulted in assurance around leadership in service provision.</p> <p>The Council developed an engagement process with residents through its 'Growing a Strong Warrington' programme (including communications &amp; digital strategies). The Council has a Customer Strategy, charter and standards in place. The Customer Strategy 2016-2020 is central to ensuring our customers</p>

	<p>are at the heart of delivering our vision of ‘Growing a Strong Warrington’. It helps ensure that service provision is designed and delivered to meet local needs and that service improvements are customer-led and outcome focused. Residents’ forums with the Leader commenced in 2019.</p> <p>The Council’s strategic plans are communicated to the community through a number of media events. Regular forms of communications such as briefings and reports are issued. All of the Council’s major plans and strategies are published and available for download on the website/intranet.</p> <p>The Council has a robust process for responding to Freedom of Information requests that are received. As part of the Open Data transparency agenda the Council has also published items of expenditure over £500 online.</p> <p>We are committed to ensuring that equality and diversity is at the heart of our organisation and responds to the needs of all our customers and communities. These values are set out in our equality objectives for 2016-2020. We are required by the Equality Act 2010 to publish these at least every four years. We developed these objectives by undertaking a public online consultation, talking to our partners and staff and researching emerging national and local equality trends and needs.</p> <p>In March 2019, the Council participated in a Local Government Association (LGA) Peer Challenge. The Peer Challenge is an improvement tool offered by the LGA to help councils improve and focus on what is important at a local level. A peer review team spent four days on a site visit to Warrington and held numerous interviews and focus groups with staff, trade unions, elected members and partners. There were two elements to the peer challenge; the first was a corporate element focusing on the council’s leadership arrangements, governance, corporate capacity and financial resilience; the second was a locally focused element which included our understanding of local place and priority setting and our leadership of place; financial planning and resilience; leadership and good governance and our capacity to deliver.</p>
--	---

<b>CORE PRINCIPLE C</b>	
<b>Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<p><b>Defining outcomes</b></p> <p><b>Sustainable economic, social and environmental benefits</b></p>	<p>The Corporate Strategy is supported by a Performance Management Framework; Directorate plans; Service Plans; and Change Projects as appropriate. The Corporate strategy is refreshed each year and is linked to the Council's Medium Term Financial Plan; this ensures that our plans are realistic in the context of the continued funding constraints placed on the Council.</p> <p>Outcomes Based Budgeting (OBB) is a continuous Member led process overseen by the Council's Senior management Team. The Council's Budget and Outcomes Based Budgeting framework underpins our decision making. All Council decisions are required to comply with the budget and Outcomes Based Budgeting framework.</p> <p>A refreshed joint Health and Wellbeing Strategy for Warrington was developed following extensive consultation with all key stakeholders. The Integrated Commissioning Team led on the development of the refreshed strategy with support from colleagues in the Council and the Clinical Commissioning Group.</p> <p>The Warrington Local Plan Core Strategy was adopted by Warrington Borough Council on 21 July 2014 and is available to view online. Following a successful high court challenge to the Plan's housing target, the Council is now preparing a new Local Plan. The Proposed Submission Version Local Plan was published on 15<sup>th</sup> April 2019 for a 9 week period of statutory consultation. Several events have been arranged across the town to provide an opportunity for residents and businesses to learn more about the Plan and to ask for further information. It is anticipated the new Local Plan will be adopted in late 2020.</p> <p>Further, the policy and programme context to the Council's regeneration and growth activities and priorities is clearly outlined in the following strategic documents (all published and on-line):</p> <ol style="list-style-type: none"> <li>a. The Cheshire and Warrington Strategic Economic Plan, Cheshire &amp; Warrington Local Enterprise Partnership 2017.</li> <li>b. Warrington Means Business – Warrington's Economic Growth &amp; Regeneration Programme,</li> </ol>

	<p>Warrington BC, approved by WBC Executive Board - Dec 2016 (currently being refreshed).</p> <p>c. Warrington City Centre Masterplan – Warrington BC, Approved by WBC Executive Board – Dec 2016 (currently being refreshed)’. </p> <p>Warrington &amp; Co is a council department within the Council’s Growth Directorate. Its function is to work with partners in Government and in the private sector to enable investment, development and growth. It has the advantage of an established public sector / private sector Board which it uses for guidance and advice – however, Warrington &amp; Co reports to the Council’s Senior Management Team and The Executive Board and is governed by the Governance structures of the Council.</p> <p>Key infrastructure projects to enable economic growth and open up land for development are led and managed by the Council’s Director of Environment and Transport through its Infrastructure Delivery Team.</p> <p>The role of the officer Capital Investment Planning Group has been refreshed to enhance governance arrangements, ensure robust programme management arrangements are in place and maintain robust performance monitoring and reporting mechanisms for all major projects.</p>
--	--

<b>CORE PRINCIPLE D</b>	
<b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<p><b>Determining interventions</b></p> <p><b>Planning interventions</b></p> <p><b>Optimising achievement of intended outcomes</b></p>	<p>The Council's Constitution includes details of the role and responsibilities of the full Council; the Executive Board; Committees; Chief Officers; and the rules under which they operate. The Council's Constitution provides the framework for the decision making process.</p> <p>The Council operates an Overview and Scrutiny function. Members, who are not members of the Scrutiny Committee can "call in" decisions that have been made but not yet implemented, to enable them to consider whether the decision has been taken in accordance with the Council's decision making principles. The four Policy Committees monitor and scrutinise the performance and decision making of the authority.</p> <p>The Council took account of the updated CIPFA Treasury Management Code in the production of the 2018/19 Treasury Management Strategy and refresh of the Treasury Management Practices, with further changes made ahead of 2019/20. In accordance with the updated Code, the Council's Treasury Policy Statement acknowledges the importance of suitable Treasury Management Practices (TMPs) for effective treasury management. The Audit &amp; Corporate Governance committee are the body charged with the scrutiny of Treasury Management. The Council have also set up a Treasury Management Board consisting of lead members of the Audit &amp; Corporate Governance Committee to provide further scrutiny around the Council's Treasury Management activities.</p> <p>The Council seeks to obtain value for money which is supported through effective commissioning and procurement arrangements, a robust procurement strategy, business plans and scrutiny of decision making.</p> <p>Warrington's Performance Management framework ensures that progress against key plans and strategies is monitored routinely in order that timely action can be taken to address any performance issues. A Performance Management Framework is in place across the Council supported by a Corporate Information Assurance and Data Quality Strategy.</p>

	<p>Quarterly monitoring takes place at Directorate Performance Boards / Management Teams and formal performance reports are submitted on a quarterly basis to the Strategic Management Team and Executive Board; who use performance data to help determine their work programme and challenge performance. Quarterly performance reports are also available for the public to view on the Council’s website. Work continues to ensure that robust management information supports informed decision making.</p>
--	--

**CORE PRINCIPLE E**  
**Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

<p><b>Supporting Principles</b></p>	<p><b>Assessment of the effectiveness of key elements of the Council’s governance processes during 2018-19</b></p>
<p><b>Developing the entity’s capacity</b></p> <p><b>Developing the entity’s leadership</b></p> <p><b>Developing the capability of individuals within the entity</b></p>	<p>A corporate Member’s induction programme is in place with ongoing training for Members. Members and officers meet at the Member Development Forum to review training and develop/improve the member training offer.</p> <p>The Council has a Leadership Development Forum which incorporates regular meetings held by the Chief Executive for Directors, Assistant Directors and Heads of Service on key relevant strategic topics. They offer an opportunity for the Council’s leaders to come together to innovate, inspire and engage in an informal, creative and supportive environment.</p> <p>The risk around workforce capacity has been captured on the Strategic Risk Register and is regularly reviewed by Senior Management Team. Senior Management Team monitors recruitment and retention on a monthly basis and Directorates undertake service specific monitoring and review. The Council has a specific recruitment and retention strategy for Children's Social Workers and a number of policies and programmes (i.e. Market Supplement Policy, Training and Development programme) which are used across the workforce.</p> <p>A new HR strategy has been agreed by the Senior Management Team and will be published to all staff in 2018, which links directly to the corporate priorities. Staff performance management processes are in place and a new learning and development prospectus for the organisation has been produced for</p>

	<p>2018.</p> <p>An e-learning package has been rolled out to all staff including a number of mandatory courses as agreed by the Senior Management Team. The Council has a recruitment and retention policy and strategy.</p> <p>A planned programme of internal courses is provided to the organisation in addition to external provision commissioned as required in order to ensure that all employees are equipped to carry out their roles and to ensure compliance with regulatory and statutory requirements.</p> <p>The Council has an established joint consultation framework with its recognised Trade Unions and this provides a sound basis for effective debate, discussion and full consultation on the introduction of new operational policies, the review and refresh of existing policies and all other staffing matters.</p>
--	---

<b>CORE PRINCIPLE F</b>	
<b>Managing risks and performance through robust internal control and strong public financial management</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<b>Managing risk</b>  <b>Managing performance</b>  <b>Robust internal control</b>  <b>Managing Data</b>  <b>Strong public financial management</b>	<p>The Council has a comprehensive framework for the management of performance and risk; the risk management strategy, policy and guidance documents were updated during 2018-19. A Strategic Risk Register is in place and is updated quarterly and reports are provided to the Senior Management Team. Executive Board and Audit &amp; Corporate Governance committee receive half yearly updates. Senior Management Team reviewed the Strategic Risk Register during 2018-19 to ensure that new and emerging risks were included. Recommendations from the peer review around performance management will be addressed during 2019/20.</p> <p>The Council has a well established Audit &amp; Corporate Governance Committee which met regularly during 2018-19. The Committee has clearly defined terms of reference and responsibilities for the oversight of internal control, governance, risk management and the approval of the Council's Annual Accounts. The Audit &amp; Corporate Governance Committee oversees the work of Internal and External Audit, and promotes and maintains high standards in relation to the operation of the Council's Code of Corporate Governance. The Committee ensures that an adequate risk management framework and associated control environment is in place and that the Council's financial and non-financial performance is properly monitored. In line with CIPFA best practice guidance, the Committee performs an annual self-assessment of their own effectiveness and acts on recommendations identified; the Committee Chair also produces an annual report to full Council of the work performed by the Committee during the year.</p> <p>The Council maintains a Head of Internal Audit and an Internal Audit section which complies with the Standards set out in the UK Public Sector Internal Audit Standards. Internal Audit examine the effectiveness of the Council's internal controls. Based on evidence from planned audits and any special investigations, the Head of Internal Audit reports to each meeting of the Audit &amp; Corporate Governance Committee on any major weaknesses that have been identified and highlights where improvements are considered necessary.</p> <p>The Senior Management Team is responsible for ensuring that it establishes and maintains effective systems of internal control, complying with legislation, the Council's Constitution, Standing Orders and Financial Regulations.</p>

	<p>The implementation of the European General Data Protection Regulations (GDPR) was an extensive project for the council. The Information Governance Team have led a series of GDPR awareness briefings since October 2017 and are continuing with business as usual activities to maintain compliance with the Data Protection Act 2018 and the GDPR. Where appropriate, sessions are held for teams to assist with specific pieces of work. Where there are areas of focus that need additional specialist resources such as processes for managing subject access requests, face to face sessions are provided for key staff, which allows knowledge to be cascaded across a wider area. The GDPR work has the support of the SIRO and Deputy SIRO, with regular reports via the SIRO briefing and a presentation to the Organisational Improvement and Development policy committee in February 2019. Further papers will be submitted to SMT as and when required during 2019/20.</p>
--	---

<b>CORE PRINCIPLE G</b>	
<b>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>	
<b>Supporting Principles</b>	<b>Assessment of the effectiveness of key elements of the Council's governance processes during 2018-19</b>
<p><b>Implementing good practice in transparency</b></p> <p><b>Implementing good practices in reporting</b></p> <p><b>Assurance and effective accountability</b></p>	<p>The Council makes as much information as possible available on its website. Support is also available to those residents who cannot access the internet.</p> <p>The Council publishes its governance reports and its statement of accounts on the website.</p> <p>The Council's appointed auditors are Grant Thornton. The audit of accounts was not concluded before 31 July 2018. This was due to a public objection to the accounts that was received by the external auditors during the public period of inspection; resolution of this is presently ongoing.</p> <p>The Senior Management Team is responsible for responding to recommendations made by Internal Audit, External Audit and other Inspectorates such as CQC and OFSTED. Where necessary and appropriate they will take advice from Legal Services.</p> <p>Progress made against the issues identified in the 2017-18 Annual Governance Statement action plan has been monitored by the Governance Group.</p> <p>A whistleblowing procedure is in place in the Council together with a separate schools' procedure. The procedure supports the Council in its obligations in respect of the Bribery Act 2010. The Council's anti fraud, bribery and corruption statement and policy incorporates the requirements of the Bribery Act and is updated regularly. Regular reports are provided to the Audit &amp; Corporate Governance committee on the work undertaken in the Council to combat fraud and corruption.</p>

The table below sets out the progress made against the significant governance issues identified in the 2017-2018 Annual Governance Statement.

Improvement Action	Action Undertaken
<p><b>Budget / Savings Programme / Council Transformation / Commercialism</b></p> <p>Government funding is progressively decreasing to virtually zero and the Council will need to continue to make efficiency savings. To support this, the Council has progressed with outcome based budgeting for 2017-18. Other methods of funding such as retention of business rates, invest to save and generation of income are being explored. The generation of income and cost avoidance projects focus heavily in the Council's financial plan. Sound financial and governance processes are required in the new ways of funding. The Outcome Based Budgeting programme approach includes a set of programmes and projects for the transformation of services across the Council.</p> <p>During 2017/18 the Council invested in two major commercial schemes. The Council took a 33% shareholding in Redwood Bank a new challenger bank whose business focus is lending to Small medium Sized Enterprises. The Council also purchased Birchwood Park a 123 acre Warrington Business Park; strong Governance underpinned these investments. Redwood Bank was</p>	<p>The council approved a balanced budget for 2019/20 in February 2019. The robust monitoring of achieving this financial plan has commenced in the current financial year via the Outcomes Based Budgeting Board and a monthly financial dashboard is under development to ensure wider more holistic financial monitoring is available to senior officers and members at an appropriate level of detail.</p> <p>SMT review the financial position on a monthly basis with the Section 151 Officer reviewing more regularly.</p> <p>The LGA peer review recently undertaken endorses the development of this wider framework which will be available from Quarter 1 of the new financial year.</p> <p>Significant challenges remain in both achieving the challenging financial targets set for the current financial year and also addressing the savings requirement of £X for the next four year budget setting period.</p>

<p>subject to a comprehensive business case and risk assessment that was scrutinised and agreed by the Financial Conduct Authority and the Prudential Regulation Authority. A full business case was produced for Birchwood Park with expert consultants contributing to it. The Due Diligence and Governance process followed by the Council with regards to Birchwood Park was used as a good practice case study in the CIPFA publication “The Practicalities of Prudence Key principles of due diligence for local authorities.” Strong ongoing governance structures are also in place to monitor these investments.</p>	
<p><b>Information Governance and Cyber Risks</b></p> <p>Ongoing development of the information governance framework for the Council, supported by an implementation and improvement plan, is a key focus area of the Senior Information Risk Officer and the Information Governance Group. The Council reported four breaches to the Information Commissioner’s Office during 2017/18; in all cases the Information Commissioner was satisfied with the action that the Council had taken. The implementation of the new European General Data Protection Regulations (GDPR) is an extensive project for the council. The GDPR work has the support of the SIRO and Deputy SIRO, with regular reports via the SIRO briefing and a paper to SMT in April 2018. The Council has an action plan and working groups to support action tasks identified in the plan.</p> <p>Cyber attack is recognised as a key risk to the Council. We believe that the steps we are taking will further enhance our governance arrangements and are satisfied that these steps will continue to improve the processes in place in line with compliance requirements such as the new European Data Protection Regulations.</p>	<p>Ongoing compliance with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR) remain a key focus area of the Senior Information Risk Owner, the Information Governance Team and the Information Governance Group. The Council reported four breaches to the Information Commissioner’s Officer in 2018/19. All of the incidents were closed with no regulatory action taken and in all cases the Information Commissioner was satisfied with the action that the Council had taken. The increased awareness of the ICO’s position as regulator has seen an increase in both requests relating to individual rights, but also complaints to the ICO on how the Council has dealt with their queries such as freedom of information requests or subject access requests. Regular reporting to the SIRO is in place and SMT reports at appropriate intervals. The data protection mandatory eLearning course has been updated to ensure that it covers the Data Protection Act 2018.</p> <p>Cyber-attack is recognised as a key risk to the Council. Revised guidance from the UK government now states this is amongst the biggest emerging threats to the UK and alongside terrorism and a flu pandemic is among the key dangers to UK security. The volumes of cyber-attack keep increasing and the cyber-attack capabilities are continually evolving, so this is an area which needs constant vigilance</p>

	<p>and a continuous improvement approach.</p> <p>Progress in implementing the Cyber Security Development Programme is being prioritised. Accreditation under the Government’s Cyber Essentials Scheme is also being explored and discussions are continuing regarding the potential purchase of a cyber liability policy.</p>
<p><b>Project Governance</b></p> <p>The Council is committed to high standards of governance and has continued to develop robust governance and risk management arrangements for schemes to deliver regeneration and innovative, entrepreneurial invest to save schemes. It has been recognised by officers that robust programme management arrangements are needed and work continues to develop improved programme governance including: improved monitoring arrangements; improved management information; improved reporting arrangements; and appropriate risk escalation.</p>	<p>Work continues to maintain robust performance monitoring and reporting mechanisms for all major projects. Capital Investment Planning Group (CIPG) meet monthly and progress against capital schemes is reported to each CIPG meeting. CIPG ensure key reports and decisions are scheduled appropriately. The Environment and Transport and Growth Directorates operate a sub group of CIPG which reports regularly into the CIPG meetings.</p> <p>The Growth Directorate carries out activity on significant projects on an almost daily basis. Governance therefore needs to be especially robust to protect against future challenge. Progress is reported at the weekly Departmental Management Team (DMT) meeting which includes representatives from Finance, HR and other teams as required. This provides an opportunity for scrutiny from all the team heads, not just the Director. A Capital Investment Planning Group (CIPG) agenda item was recently added so that new projects could be considered for progression at the very beginning of their evolution. This is before both the (former) ERGE and Council wide CIPG meetings so the business case is strengthened long before it reaches the approval stage.</p> <p>The larger projects continue to be supported by their own scrutiny processes, including Time Square, Great Sankey Hub and the housing company. The Project Managers include corporate governance in all of their plans. They also react as required to enquiries from Members, MPs and the public when appropriate. The Time square regeneration scheme is run as a controlled programme by experienced personnel,</p>

	<p>there are also a series of subgroup projects addressing specific work streams of the programme. The programme carries a risk register which is updated regularly, the programme group meets every fortnight.</p>
<p><b>Health &amp; Social Care Integration</b>  Warrington has submitted its Integration /Better Care Fund (BCF) Plan for 2017-2019 which sets out the case for change and its plans for implementing integration through supporting the development of an Accountable Care Partnership ‘Warrington Together’. On presentation of the delivery model for the Accountable Care Partnership, it is likely that further consideration will need to be given by both the Clinical Commissioning Group and the Local Authority as to how commissioning and delivery will be aligned.</p>	<p>BCF Governance arrangements were subject to review and ratification at the January and February 2019 BCF Steering Group meeting. Performance monitoring and financial tracking mechanisms have been strengthened and are more transparent to support partnership working and most effective use of iBCF resources to manage demand. All steering group partners signed up to planned changes. Development of the Frailty Storyboard by the CCG and Commissioning Prospectus has identified key factors across the health system which impact on service delivery and can be addressed through Warrington Together.</p> <p>The Council has developed a Joint Commissioning Strategy with the CCG to support delivery of the Warrington Together Programme. Health and Wellbeing Board, the Integrated Commissioning Transformation Board, Warrington Together, all work together through a Whole Systems Transformation Programme. Terms of reference for Boards sets out the duties of the Boards in relation to the joint working arrangements. Joint working arrangements eg. Warrington Together and Better Care Fund (BCF) are supported by legal and financial agreements as appropriate. Formal partnerships are set out in contractual frameworks and have appropriate legal agreements in place eg. S75 agreements.</p>

The table below sets out the significant governance issues identified in the 2018-2019 Annual Governance Statement.

Improvement Action	Lead Officer / Deadline
<p><b>Annual Accounts</b></p> <p>The audit of accounts was not concluded before 31 July 2018. This was due to a public objection to the accounts that was received by the external auditors during the public period of inspection; resolution of this is presently ongoing. Grant Thornton have subsequently not issued their Annual Findings Report and Annual Audit Letter for 2017/18 which gives an opinion on the financial statements. Grant Thornton have also not issued their Value for Money Opinion for 2017/18 which gives a conclusion on the Council's arrangements to secure economy efficiency and effectiveness in its use of resources. Opinions on the financial statements and Value for Money Conclusion cannot be provided until the objection process has been completed.</p>	<p>Deputy Chief Executive and Director of Corporate Services</p> <p>March 2020</p>
<p><b>Budget / Savings Programme / Council Transformation / Commercialism</b></p> <p>Government funding is progressively decreasing to virtually zero and the Council will need to continue to make efficiency savings. Following a number of spotlight sessions with Members, the Council approved a balanced budget for 2019/20 in February 2019. The robust monitoring of achieving this financial plan has commenced in the current financial year via the Outcomes Based Budgeting Board and a monthly financial dashboard is under development to ensure wider more holistic financial monitoring is available to senior officers and members at an appropriate level of detail. SMT review the financial position on a monthly basis with the Section 151 Officer reviewing more regularly; ongoing budget monitoring will link to the work underway to transform services.</p> <p>In March 2019, the Council participated in a Local Government Association (LGA) Peer Challenge. The Peer Challenge is an improvement tool offered by the LGA to help councils improve and focus on what is important at a local level. The peer review team spent four days on a site visit to Warrington and held numerous interviews and focus groups with staff, trade unions, elected members and partners.</p>	<p>Deputy Chief Executive and Director of Corporate Services</p> <p>Assistant Director - Customer and Business Transformation</p> <p>March 2020</p>

<p>The LGA peer review endorses the development of wider budget monitoring and reporting framework which will be available from Quarter 1 of the new financial year.</p> <p>Significant challenges remain in both achieving the challenging financial targets set for the 2019/20 financial year and also addressing the savings requirement of £X for the next four year budget setting period. The generation of income and cost avoidance projects focus heavily in the Council’s financial plan including an expanding property investment programme. The Council recognises that sound financial and governance processes are required in the new ways of funding and that the expanding and diverse nature of projects require new skills and sufficient staff capacity. The Council’s Commercialism programme, and governance around it, is covered in detailed in the Council’s Capital Strategy agreed by full Council on 28<sup>th</sup> February 2019.</p>	
<p><b>Information Governance and Cyber Risks</b></p> <p>Ongoing compliance with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR) remain a key focus area of the Senior Information Risk Owner (SIRO), the Information Governance Team and the Information Governance Group. The Council reported four breaches to the Information Commissioner’s Officer (ICO) in 2018/19. All of the incidents were closed with no with regulatory action taken and in all cases the Information Commissioner was satisfied with the action that the Council had taken. The increased awareness of the ICO’s position as regulator has seen an increase in both requests relating to individual rights, but also complaints to the ICO on how the Council has dealt with their queries such as freedom of information requests or subject access requests. Regular reporting to the SIRO is in place and SMT reports at appropriate intervals. The data protection mandatory eLearning course has been updated to ensure that it covers the Data Protection Act 2018.</p> <p>Cyber-attack is recognised as a key risk to the Council. Revised guidance from the UK government now states this is amongst the biggest emerging threats to the UK and alongside terrorism and a flu pandemic is among the key dangers to UK security. The volumes of cyber-attack keep increasing and the cyber-attack capabilities are</p>	<p>Deputy Chief Executive and Director of Corporate Services</p> <p>Assistant Director - Customer and Business Transformation</p> <p>March 2020</p>

<p>continually evolving, so this is an area which needs constant vigilance and a continuous improvement approach. There is a rolling programme of work that identifies and remediates potential vulnerabilities in our technology estate and mitigation of risks. Progress in implementing the Cyber Security Development Programme is being prioritised and accreditation under the Government's Cyber Essentials Scheme is also being explored.</p>	
<p><b>Project Governance</b> The Council is committed to high standards of governance and has continued to develop robust governance and risk management arrangements for schemes to deliver regeneration and innovative, entrepreneurial invest to save schemes. It has been recognised by officers that robust programme management arrangements are essential and work continues to maintain robust performance monitoring and reporting mechanisms for all major projects. Capital Investment Planning Group (CIPG) meet monthly and progress against capital schemes is reported to each CIPG meeting. CIPG ensure key reports and decisions are scheduled appropriately. The Environment &amp; Transport and the Growth Directorate operate a sub group of CIPG which reports regularly into the CIPG meetings. The larger projects continue to be supported by their own scrutiny processes, including Time Square, Great Sankey Hub and the housing company. The Project Managers include corporate governance in all of their plans, they also react as required to enquiries from Members, MPs and the public when appropriate.</p>	<p>Deputy Chief Executive and Director of Corporate Services</p> <p>Director Environment and Transport</p> <p>Director of Growth</p> <p>March 2020</p>
<p><b>Health &amp; Social Care Integration</b> The Council has developed a Joint Commissioning Strategy with the Clinical Commissioning Group (CCG) to support delivery of the Warrington Together Programme. The Health and Wellbeing Board, the Integrated Commissioning Transformation Board, and Warrington Together, all work together through a Whole Systems Transformation Programme; all steering group partners signed up to planned changes. Development of the Frailty Storyboard by the CCG and Commissioning Prospectus has identified key factors across the health system which impact on service delivery and can be addressed through Warrington Together. Terms of reference for Boards sets out the duties of the Boards in relation to the joint working arrangements. Joint working arrangements eg. Warrington Together and Better Care Fund (BCF) are supported by legal and financial agreements as</p>	<p>Chief Executive</p> <p>Executive Director, Families &amp; Wellbeing</p> <p>March 2020</p>

appropriate. Formal partnerships are set out in contractual frameworks and have appropriate legal agreements in place.	
<p><b>Workforce and Brexit</b></p> <p>It has been recognised by the Council that a key risk which should continue to be monitored, due to the changing nature of the Council’s business and the expanding and diverse nature and complexity of activities, is whether the capacity of officers across the organisation is sufficient for them to be able to fulfil their responsibilities effectively. Demand for services continues to increase and is recognised as a national issue. Continued consideration is given to the impact of Brexit and the potential loss of staff in services provided directly by the Council or in services provided by partners. Staffing structures are under constant review and new developments in agile and dynamic outcomes based working will support the move to the new Council offices.</p>	<p>Assistant Director - Customer and Business Transformation</p> <p><a href="#">Head of Legal &amp; Democratic Services</a></p> <p>March 2020</p>

**Annual Governance Statement Assurance Framework**

