

# ANNUAL GOVERNANCE STATEMENT

**1. Scope of Responsibility**

- 1.1 Slough Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law, proper standards, and that 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.
- 1.2 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.
- 1.3 This statement explains how the Council has complied with the code and also meets the requirements of regulation 4[2] of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit [Amendment] [England] Regulations 2006 in relation to the publication of the Annual Governance Statement.

**2. The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, and the culture and values, by which the Authority is directed and controlled and the activities through which it leads, accounts to and engages with the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 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 the 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 ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently and effectively.
- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

## The Governance Framework

The key elements of the systems and process that underpin the Council's governance arrangements for:

- 3. Establishing, communicating and reviewing the achievement of the authority's vision of its purpose and intended outcomes for citizens and service users and its implications for the authority's governance arrangements**
  - 3.1 The Council's Strategic Plan shows how the political direction of the council's leadership combines with the long term vision for the town. It sets out medium term council priorities. It explains the council's role in "*Proud to be Slough – Slough's Sustainable Community Strategy*" – which sets out the 20 year long-term vision. The Plan is an important part of how we manage our performance, linking the council's vision and priorities into the everyday activities of our staff. It sets out our five key priorities and explains what we are doing to ensure the organisation works more effectively so that our services can make a difference. The Strategic Plan is aimed at external stakeholders and is communicated via a range of media channels.
  - 3.2 During the course of the last year this publication has been redesigned and restructured to ensure all the key articles support one of the council's priorities. Story spreads are colour coded and clearly labelled to help readers make a link with a relevant priority.
  - 3.3 The Council's approach to planning is set out in the Strategic Planning Framework which has been endorsed by the Improvement and Development Agency. An electronic performance management system is used to monitor service performance on a monthly basis which is reported to Corporate Management Team, Cabinet and Overview and Scrutiny.
  - 3.4 The council has appointed a Consultation Officer and, with other LSP partners, invested in Uengage, an online consultation portal with the aim of increasing participation in consultations. The system will also enable the council to coordinate consultations more effectively. The Consultation Officer is working with directorates to ensure consultations are an integral part of communicating and reviewing service provision, where relevant.
- 4. Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources.**
  - 4.1 Citizen satisfaction is measured annually through an Attitude Survey. This survey provides satisfaction levels on the services provided by the Council and its statutory partners. In addition to this, services work towards a number of quality standards

and specific services have been awarded Charter Mark and Investors in people. Delivering high quality services is important and where appropriate quality tools are used, such as, EFQM and the Excellence Model.

Service Plans set out objectives and activities and these are scrutinised by the relevant director. Service benchmarking information is used to assess and ensure that service delivery offers value for money and best use of resources.

- 4.3 Internal review and audit, along with external inspection, provide an objective review of services and inform the basis of improvement plans focussed on improving citizen outcomes.
- 4.4 The statutory PI's have to be collected, audited and reported to the Audit Commission each year. Performance against these indicators is monitored quarterly where possible to produce in year management information.
- 4.5 Service user comments, complaints and suggestions from consultations are used to shape service delivery.
5. **Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication**
- 5.1 The Council is composed of 41 Councillors. The overriding duty of Councillors is to the Borough as a whole but they are democratically accountable to residents of their Ward.
- 5.2 All Councillors meet together as the full Council. The full Council is the decision making body that sets the policy and budgetary framework of the Authority. It appoints the Executive (the Cabinet), Lead Members and such Committees, Sub-Committees and Panels etc. It considers necessary to carry out the statutory functions of the Council as a local authority. Each year, normally in May, a new Mayor is elected who chairs the full Council meeting.
- 5.3 The Executive is the part of the Council which is responsible for most day-to-day decisions. The Executive is made up of a Cabinet which comprises the Leader of the Council and 8 lead Councillors called Commissioners. Each Commissioner has a specific portfolio of areas for which s/he is responsible. All services of the Council fall within the portfolios of one or more of the Commissioners. When key executive decisions are to be discussed or made, these are published in the Cabinet's Forward Plan in so far as they can be anticipated. The Cabinet has the power to make decisions which are in line with the Council's overall policy and budgetary framework. If it wishes to make a decision which is outside the framework, this must be referred to the full Council to decide.
- 5.4 All items of business at meetings of the Council, its Committees, Sub-Committees and the Cabinet will be set out in an agenda together with reports and supporting papers. Generally, these documents are open to public inspection on the Council's website and at the Town Hall. Copies of these documents are also available free

of charge on request. Normally the meetings will be held in public but where personal or confidential information, known as exempt information, is to be discussed the meetings will be held in private and the reports and supporting papers will not be available.

5.5 The Council's decision-making structure has delegated many decisions to the senior officers and statutory chief officers. These decisions are taken after verifying that they are in accordance with the budget and policy and budgetary framework and a range of financial, legal and other relevant advice.

5.6 The Council, through its Overview and Scrutiny Committee, holds the Cabinet to account and monitors performance and also considers certain executive items referred for comment. The Council also provides an opportunity for citizens and Councillors to ask questions and raise issues of broad public interest.

5.7 The Corporate Management Team (CMT) consisting of the Chief Executive and Directors meets weekly to oversee and direct the delivery of all Council services in accordance with policy, financial and legislative requirements.

**6. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

6.1 Councillors have to agree to abide by the Local Code of Conduct to ensure high standards of behaviour in the way they undertake their duties. The Local Code of Conduct forms part of the Council's Constitution and was reviewed and updated in May 2008. The Standards Committee has overall responsibility for ethical matters including training and advice on the application of the Local Code. Since May 2008, the assessment, review and if appropriate the investigation of complaints about Member conduct has been delegated by the Committee to specially designated Sub-Committees.

6.2 Specific Codes of Conduct have been adopted for Councillors who carry out the Council's Planning and Licensing functions. The Council has designated the Borough Secretary and Solicitor as the Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989.

6.3 The Officer Code of Conduct sets out the standards of behaviour the Council expects of employees in the carrying out of their duties to ensure that the Authority maintains a deserved reputation for the high standards of its activities and the integrity of its employees at all levels.

**7. Reviewing and updating Council Procedural Rules (standing orders), standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the process and controls required to manage risks.**

7.1 The Council has an agreed Constitution, which sets out how the Council operates, how decisions are made, and the procedures that are to be followed to ensure that

these are open, transparent and accountable to local people. The law requires some of these processes, while others are a matter for the Council to choose.

- 7.2 The financial management of the Authority is conducted in accordance with various procedures set out in the Constitution but in particular with the Financial Procedure Rules. The Council has designated the Director of Resources as Chief Finance Officer (CFO) in accordance with Section 151 of the Local Government Act 1972.
  - 7.3 Financial stewardship is reported to Councillors quarterly, and is considered regularly by Directorate Management Teams and the Council's Corporate Management Team. This is supported by an established budget monitoring process by managers and Finance staff.
  - 7.4 Through reviews by External Audit, various Inspection Agencies, Internal Audit, and the Improvement and Development Department, the Council seeks ways of ensuring the economic, effective and efficient use of its resources, and the continuous improvement in the way in which it delivers its services to the public.
  - 7.5 The Council has various mechanisms in place that help it to identify, assess and control risk throughout the entire organisation. The Corporate Risk Register has been developed and is reviewed quarterly by the CMT, and Directorate Risk Registers have also been developed ensuring compliance with established policies, procedures, laws and regulations.
- 8. Ensuring compliance with established policies, procedures, laws and regulations**
- 8.1 The Cabinet or any Committee/Sub Committee of the Council, or any officer are duty bound to consult the Monitoring Officer and/or the Director of Resources (or their representatives) as to whether any proposed decision would be lawful and/or contrary to the policy framework, and/or contrary to or not wholly in accordance with the budget. If the advice of the Monitoring Officer is that the proposed decision would be unlawful then the matter will be reviewed with appropriate advice from the Monitoring Officer on how to proceed if at all. If either of those officers consider that the decision would not be in line with the existing budget and/or policy framework then the proposal will be referred to the Cabinet or Committee/Sub-Committee for consideration. If an urgent decision is required the Budget and Policy Framework Rules relating to urgent decisions, will be applied.
  - 8.2 After consulting with the Chief Executive and the Section 151 Officer, the Monitoring Officer will report to the Full Council or to the Cabinet (if the decision relates to an executive function) if he considers that any proposal, decision or omission would be unlawful or give rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

**9. The identification and monitoring of whistle blowing informants and for receiving and investigating complaints from the public.**

9.1 The Council has a Whistleblowing Policy and Procedure in place which enables the public, staff and all those contracting with the Authority to report any concerns on a confidential and secure basis. The document has been reviewed and updated regularly and widely communicated to all concerned.

9.2 The Council has policies and procedures to deal with other complaints and concerns raised by members of staff. Customers' comments or complaints about Council services are dealt with through the Council's Corporate Complaints Procedure.

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

10.1 Training needs are identified through a range of mechanisms including CMT's identification of corporate priorities, initiatives and poorly performing service areas; the Council's service planning framework and the identification of service and staff performance gaps/development needs; customer feedback surveys; the Council's appraisal processes of its staff resulting in team and individual performance development plans; training needs analysis questionnaires.

10.2 To address the identified learning and development needs the Council provides a range of training to both councillors and officers. This is in accordance with the Council's Learning and Development Policy and Procedure. The provision includes both formal and informal induction programmes for all new staff and councillors, a range of service related knowledge and skills programmes for all staff and councillors, and a programme of leadership and personal skills training. The training for Councillors is mainly delivered through the Members Services Team working with the overview and scrutiny officer.

**11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

11.1 There are clear channels of communication with all sections of Slough's diverse community. Communication channels include the local media, an award-winning website and *Citizen*, a residents' newspaper published six times a year. The council has moved to a campaign-based approach to marketing which focuses communications efforts around agreed priorities and key messages. The council's media relations efforts have also been refocused on communicating priority messages to our residents. The Chief Executive has a regular slot on Asian Star, a local community radio station.

11.2 Slough Borough Council consults and works with the business community through a number of business oriented and representative organisations, these include Slough Business Community Partnership, Thames Valley Chamber of Commerce

and The Federation of Small Business, in addition where a policy or activity directly impacts specific businesses those businesses are also consulted and involved.

11.3 Council representatives play an active role in the Town Image Group, and are involved in a communications campaign to change perceptions of the town, entitled "Proud to be Slough". The Proud to be Slough logo has been incorporated into the centre of the priority model and key council publications. It has also been adopted as the title for the town's sustainable community strategy.

11.4 The council has a long history of community consultation and participation. A Community Consultation Officer co-ordinates consultation activities and advises on best practice. This has included establishing innovative engagement mechanisms such a Faith Forum. Work with, and support to, the local community has led to well-established systems of residents' and tenants' associations, globe groups and community groups. These groups are involved in the decision making process at a variety of levels, from community action projects to formal consultative meetings. Our service planning process is informed by ongoing consultation and involvement. We use a variety of methodologies: boards, steering and working groups with community participation, surveys, focus groups, consultation events, discussion groups, leaflet drops etc. Most recently the council and its LSP partners have invested in Uengage, an online consultation portal, with the aim of increasing responses to consultations.

**12. Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements.**

12.1 The Council works in partnership with other public sector agencies and the voluntary and community sector. The Local Government White Paper, 'Strong and Prosperous Communities', placed real emphasis on the role of local authorities as community leaders with the requirement to work in partnership across sectors.

12.2 The Council has a Partnership Register which has been used to assess the risks involved with each of the partnerships which the Council is engaged with. This register also provides a record of the governance arrangements associated with each partnership. Partnership Guidance has been published and this defines the types of partnerships and the procedures for entering into a new partnership.

12.3 The Partnership Protocol was revised in February 2008. The protocol covers issues such as

- A common vision of work that is understood and agreed by all parties
- A clear statement of the partnership principles and objectives
- Clarity over each partner's role
- A definition of the role of partnership board members and any staff who support the partnership
- A statement of funding sources and clear accountability for financial administration



- A protocol for dispute resolution
- a complaints procedure to identify and deal with failure in service delivery
- how value for money is to be measured and making sure the authority or partnership has the information needed to review value for money and performance effectively

12.4 Slough Focus, the Local Strategic Partnership, and statutory partnerships, such as the Crime and Disorder Reduction Partnership, have robust constitutions and protocols in place. A Compact has also been established with the third sector.

12.4 Slough Borough Council recognises that improvements are required in respect of partnerships and partnership governance. This is highlighted as a governance issue in this annual governance statement

### **13. Review of effectiveness**

13.1 Slough 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 executive managers within the authority 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.

13.2 The process for maintaining and reviewing the effectiveness of the governance framework within the Council consists of:

- Annual reviews by Internal Audit of the authority's governance, risk management and system of internal control.
- Reviews by Internal Audit of internal controls in operation within each service area against known and emerging risks.
- Annual service planning to align service development against strategic goals.
- Ongoing review of the business of and decisions taken by the Monitoring Officer, which include that the Council has acted lawfully and that agreed standards have been met.
- Meetings of the Audit Committee to consider the work of and recommendations made by the internal and the external auditors and other review bodies.
- Annual reviews of the Council's financial accounts and supporting systems by the external auditors leading to their opinion as published in the year-end statements.
- Annual reviews and, where appropriate, update of the Authority's constitution including standing orders and financial instructions.
- Ongoing review of risks and the actions required to mitigate against them.
- Monthly budget monitoring by Central Finance supported by established departmental monitoring processes.
- Directors complete an annual assurance statement that is supported by a governance self-assessment completed by each Head of Service.

13.3 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Annual Governance Statement working group through

- an analysis of the departmental risk registers
- an analysis of the corporate risk register
- internal audit work during the year
- external audit reports
- inspections and assessments undertaken by independent regulators
- assurances and areas for improvement supplied by directors to support the annual governance statement
- discussions with Directors and Assistant Directors as part of the audit planning process

Significant governance issues have been grouped into three themes.

- Projects/Partnerships
- Staffing
- Provision of Services

The three themes contain six subheadings in total with each identifying

- the issue
- actions taken or planned
- a responsible officer
- the key source identifying the issue

## Significant governance issues – 2009

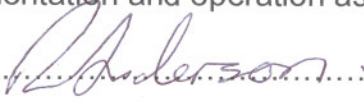
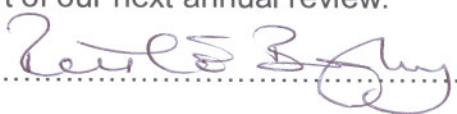
Issue	Actions	Officer Responsible	Source
<b>Projects/Partnerships</b>			
<p><b>1 <u>Project Management</u></b></p> <p>Heart of Slough/ Major regeneration</p> <p>Shared Services</p> <p>Care Home Re-provision and Extra Care Housing</p> <p>Accommodation Strategy</p>	<ul style="list-style-type: none"> <li>• Regular Updates between Director and Commissioner.</li> <li>• Major projects reported quarterly to Overview and Scrutiny including risk analysis.</li> <li>• Audit plan includes reviews of risk based review of projects</li> <li>• Governance of project methodology has been standardised</li> <li>• Prince 2 training methodology to be rolled out for all project managers</li> </ul>	<p>Relevant Directors</p> <p>Director of Resources</p> <p>Head of Audit and Risk Management</p> <p>Assistant Director Transformation, Policy and Performance</p>	<p>Corporate Risk Register</p> <p>Community and Wellbeing Risk Register</p>
<p><b>2 <u>Partnerships and governance arrangements</u></b></p> <p>Relationships with major partners needs to be managed</p>	<ul style="list-style-type: none"> <li>• Partnership agreements and review meetings</li> <li>• LSP meetings and new LSP structure in place to manage delivery of LAA targets through seamless partnership working.</li> <li>• Continued training in respect of joint risk management across partner agencies</li> <li>• Review of voluntary sector commitments and outputs to ensure VFM and Council priorities are met</li> </ul>	<p>Director of Improvement and Development</p>	<p>Corporate Risk Register</p>

Issue	Actions	Officer Responsible	Source
<b>Staffing</b>			
<p><b>3 <u>Harmonisation/ Staffing Issues</u></b></p> <p>Uncertainty leading to some or all of the below</p> <p>a loss of staff morale drop in performance loss of staff increased absence levels potential high levels of equal pay claims</p>	<ul style="list-style-type: none"> <li>• Monitoring and evaluation of Recruitment and Retention Plan</li> <li>• Final sign off by National Unions (Assuming agreement can be reached)</li> <li>• Share outcomes with staff</li> <li>• Implement new contracts</li> <li>• Manage appeals and any back pay claims</li> <li>• Manage the tribunal process and the timetable for any settlement</li> </ul>	Assistant Director of Human Resources with relevant Legal support	Corporate Risk Register
<p><b>4 <u>Community Cohesion</u></b></p> <p>Increase in demand for basic services through</p> <p>Asylum Seekers Migration Economic Impact</p>	<ul style="list-style-type: none"> <li>• Monitor community demographics</li> <li>• Bids against migration impact fund</li> <li>• Lobbying of ministers</li> <li>• Equality impact assessments</li> <li>• Community Cohesion audit approved</li> </ul>	Chief Executive	Corporate Risk Register  Community & Wellbeing Risk Register

Issue	Actions	Officer Responsible	Source
<b>Provision of Services</b>			
<p><b>5 <u>Business Continuity</u></b></p> <p>Inability to access high priority, sensitive data</p> <p>Inability to place orders</p> <p>Inability to account for income in a timely fashion</p> <p>Loss of reputation</p> <p>Loss of performance</p> <p>Pandemic influenza</p> <p>Shortage of Fuel Supplies</p> <p>Confidential information processes</p>	<ul style="list-style-type: none"> <li>• Second computer room under consideration, with up rated cooling, to provide backup and business continuity.</li> <li>• Further development of business continuity plans beyond the existing 72 hour scenario</li> <li>• Continued work with NHS and other partners to improve response linked with learning from swine flu.</li> <li>• Further training for officers on emergency planning.</li> </ul>	<p>Head of IT</p> <p>Head of Audit and Risk Management</p> <p>Emergency Planning Officer</p> <p>Emergency Planning Officer</p>	<p>Risk Register IT&amp;S</p>
<p><b>6 <u>Impact of world economic climate</u></b></p> <p>Reduction in Income to the Council</p> <p>Impact on Treasury Management</p> <p>Impact of Government funding</p> <p>Increased workload on Council and partner agencies</p>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Review of Treasury Management policy in line with Audit Commission best practice</li> <li>• Slough Economic task force</li> <li>• Working with partner agencies and production of leaflet giving advice to residents</li> </ul>	<p>Director of Resources</p> <p>Chief Executive</p>	<p>All Risk Registers</p>

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

Signed: .....  .....  .....

Lead Member & Chief Executive on behalf of Slough Borough Council