

APPENDIX 1 -LEICESTER CITY COUNCIL ANNUAL GOVERNANCE STATEMENT 2016-17

1. Introduction

The Council is committed to good corporate governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016). The Framework requires local authorities to be responsible for ensuring that:

- their business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people

This statement is produced in fulfilment of the requirements under the Accounts and Audit Regulations, 2015, to prepare an annual governance statement.

2. The Arrangements

The Council works within the governance framework summarised in Appendix 1, and has an approved Local Code of Corporate Governance. The following details how the Council meets the requirements of the framework through the core principles, systems, policies and procedures it has in place.

We have the following codes and rules:

- Finance Procedure Rules
- Code of Conduct for Members
- Code of Conduct for Employees
- Anti-fraud, Bribery and Corruption Policy
- Whistleblowing Policy
- Information Governance & Risk Policy

The City Mayor has set out a strategic vision in terms of a number of key pledges which relate to:

- Connecting Leicester
- Quality public transport
- Transforming the Waterside
- Increasing school places
- Attracting investment, jobs and skills

The key pledges are supported by the following key plans:

- Economic Action Plan
- Local Transport Plan
- Health and Wellbeing Strategy
- Sustainability Action Plan
- Children's Improvement Plan
- Heritage Action Plan
- Homelessness Strategy
- Air Quality Action Plan
- Flood Risk Management Strategy
- Departmental performance targets
- Budget Strategy
- Corporate Risk Management Strategy

We monitor:

- Delivery of the key plans and strategies
- Performance indicators, particularly in relation to children's and adult's social care
- Delivery of the Budget

We are transparent in our decision making through:

- Open Council & committee meetings with published minutes
- Published Executive decisions
- Scrutiny of Executive projects through committees
- Call in periods for Executive decisions
- Public engagement through consultation, representations and petitions
- Use of social media and engagement with the press and media
- Stakeholder engagement on key projects and partnership working
- Publication of Freedom of Information Act responses and transparency data

We are supported by:

- Democratic Services including Member and Civic Support Services, who also support member development
- An Organisational Development Team, who ensure effective development of employees
- A Communications function which includes PR, Media and Digital Media Teams

- A staff intranet and established internal communication channels, which provide guidance to staff
- Partnership working on key priorities
- An Information Assurance Team to support our data policies

We review processes and delivery throughout the year supported by:

- Internal Audit
- External Audit
- Information Governance
- Audit and Risk Committee
- Annual review of the Local Code of Corporate Governance
- Annual review of the Assurance Framework

Additional information on many of the areas detailed above can be found on the Councils website;
www.leicester.gov.uk

3. Significant Governance Issues

The Council's review of processes enables the identification of any areas of the Council's activities where there are significant weaknesses in financial controls, governance arrangements or the management of risk. Overall, from this year's work, it can be concluded that controls are operationally sound and that the Council's financial management arrangements conform to the governance requirements of the CIPFA 'Statement on the Role of the Chief Financial Officer in Local Government'.

Areas of significant risk or priorities for action have been identified and are listed below, along with an update of the issues identified last year.

Follow Up of Issues Identified in 2015/16

Last year, the following areas were identified as significant governance issues. The table below sets out the action that has been taken to address these issues in the current year:

Issue Identified	Action taken to date:
Medium Term Financial Strategy – Estimated budget gap of £55m in 2019/20.	Continuous achievement of savings has reduced the gap to £40m.
Performance Management – Continue to ensure the effectiveness of performance management across the Council.	Performance of directorates has been reported to scrutiny committees during the year. This process will continue.
2015 OFSTED Inspection – an inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers graded Leicester's children services as inadequate.	Following the introduction of the 12 week action plan introduced in April 2016, strong improvement has been made. This conclusion is supported by an independent review from the DfE and OFSTED.

Issues Identified in 2016/17

The areas of significant risk or priorities for action that have been identified are listed below:

Issue Identified	Planned Action:
Medium Term Financial Strategy - like all local authorities, the Council's financial viability is a key concern at a time of deep funding cuts.	The strategy is updated annually, and delivery of savings continually monitored.
2015 OFSTED Inspection – an inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers graded Leicester's children's services as inadequate.	The improvement plan introduced in 2016/17 will continue during the coming year. This will be informed by peer reviews, service plans & the Local Children's Safeguarding Board business plan. A further inspection is planned in Summer 2017.

4. Conclusion

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:

City Mayor

Chief Operating Officer

Director of Finance

Appendix 1

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

Key elements of the governance framework at Leicester City Council are summarised below:

Mayor, Executive and Council

- Provide leadership, develop and set policy

Decision making

- Decisions are recorded on the Council's website
- There is a period of grace in which decisions are open to review

Risk management

- Risk registers identify both operational and strategic risks
- Key risks are considered by Corporate Management Team half yearly

Scrutiny and review

- Scrutiny committees review Council policy and can challenge decisions
- Audit and Risk Committee approves the annual accounts and reviews policies & procedures that ensure good governance of the Council.
- Approve the Internal Audit Annual Report and opinion

Corporate Management Team

- Provide service level management and interface with the political leadership
- Head of Paid Service is the Chief Operating Officer, who is responsible for all Council staff and leading an effective corporate management team (CMT)
- Director of Finance is the s.151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money
- Monitoring Officer is the City Barrister & Head of Standards who is responsible for ensuring legality and promoting high standards of public conduct
- CMT includes all strategic and operational directors